



**POVERTY ALLEVIATION PROGRAMMES
AND EMPLOYMENT GENERATION IN INDIA
SINCE 1991**

THESIS

SUBMITTED FOR THE AWARD OF THE DEGREE OF

Doctor of Philosophy
IN
ECONOMICS

BY

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UNDER THE SUPERVISION OF

PROF. SYED NOMAN AHMAD

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LIST OF ABBREVIATIONS

ADB	:	Asian Development Bank
APL	:	Above Poverty Line
BPL	:	Below Poverty Line
CDS	:	Current Daily Status
CSS	:	Centrally Sponsored Scheme
DER	:	Dietary Energy Requirement
DPC	:	District Programme Coordinator
FAO	:	Food and Agriculture Organisation
FYP	:	Five Year Plans
HDI	:	Human Development Index
HDR	:	Human Development Ratio
HPI	:	Human Poverty Index
HRD	:	Human Resource Development
IDA	:	International Development Association
ILO	:	International Labour Organisation
IFC	:	International Finance Corporation
IT	:	Information Technology
KVIB	:	Khadi and Village Industries Boards
KVIC	:	Khadi and Village Industries Commission
KYC	:	Know Your Customer
MDG	:	Millennium Development Goal
MFI	:	Micro-Finance Institutions
MGNREG	:	Mahatma Gandhi National Rural Employment Guarantee
MIS	:	Management Information System

RD/MoRD	:	Ministry of Rural Development
NGO	:	Non-Governmental Organisations
NSS/NSSO	:	National Sample Survey Organisation
PDS	:	Public Distribution System
PGI	:	Poverty Gap Index
PMEGP	:	Prime Minister Employment Generation Programme
PPP	:	Purchasing Power Parity
PRI	:	Panchayati Raj Institutions
RBI	:	Reserve Bank of India
RSETI	:	Rural Self Employment Training Programme
SC/ST	:	Schedule Castes/Schedule Tribe
SGSY	:	Swarna Jayanti gram Swarozgar Yojana
SHG	:	Self-Help Groups
UN/UNDP	:	United Nations Development Programme

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ABSTRACT

The problem of poverty has continued to remain the central challenge of development at the global level. Poverty is said to be the inability to attain a minimum level of well-being, is the most fundamental economic and social problem facing humanity. Poverty behavior can be transitory or chronic. Those who remain poor for short time duration and then move out of poverty are transitory poor. While chronic poor remain poor for their significant periods of lives, they may pass their poverty onto their children, for them finding exit routes from poverty is difficult. Thus, the severity of poverty is a description of the degree of poverty. The chronic poverty is the extreme case of poverty which actually makes a situation to kill people. Even when it does not kill, poverty is a basic deprivation that stunts the very possibility of human development.

The relationship between development and poverty has remained imprecise even after decades of empirical research on development – region-wise, status-wise and for all categories of countries. It is thus state the obvious to declare that the reduction and ultimately the eradication of poverty must be a central goal for bringing in the actual development in the economy. Many economists define poverty in their own perceptions and terms. Adam Smith (1776) had rightly said, *“No society can surely be flourishing and happy, of which by far the greater part of the numbers are poor and miserable”*. The country has long been affected with a number of problems, but poverty is widespread in all areas of Indian society. Generally, poverty is defined as a social phenomenon where a society is unable to fulfil its basic needs of life. The main goal of development is to eradicate poverty and reduce social imbalances. As poverty is world-widespread, so everyone defines poverty accordingly. Even to reduce poverty, certain measures are globally worked out by different institutions.

The World Bank defines poverty as *“a pronounced deprivation in well-being, and comprises many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity. Poverty also encompasses low levels of health and education, poor access to clean water and sanitation, inadequate physical security, lack of voice, and insufficient capacity and opportunity to better one’s life”*.

Poverty is a multi-dimensional concept. To understand poverty there should be some macro perspectives rather micro perspectives. Economically, the poor are not only deprived of income and resources, but they lack opportunities too. One of the most leading developing countries of Third World Nations, India still struggles with poverty. In India the poverty data provided a fairly clear picture. Poor states have higher poverty rates. The numerous policies and programmes in first few decades after Independence that sought to address poverty directly by promoting agriculture and small scale industry through regulation, or by limiting international trade to ensure adequate domestic supplies were quite ineffective in achieving their stated purposes.

Poverty fell little during the slow growth period from Independence to 1974. During the faster growth period of the 1980s and 1990s poverty fell substantially. Since India became part of the global economy and underwent economic reforms in 1991, its economy has been growing at a faster rate of nearly 6 to 8 percent per annum. In the process, India has become the third largest economy in the world. In the last two decades, a significant proportion of the population across the country has reaped the benefits of this economic growth. They have become the part of global economy and market, and their lives have transformed into one of global citizens with all the comforts and luxury in life.

From the above definitions, it is clear that the poverty is deficiency of basic human needs. To help these deprived people in satisfying their basic needs, the Government provide various poverty alleviation programmes to arrange work for these people so that they earn and learn some work for their survival. There are major three essential closely interrelated aspects of poverty as – Poverty of Money, Poverty of Access and Poverty of Power. These three aspects are responsible for making the working, living and social environments of the poor extremely insecure and severely limit the options available to them to improve their lives. Without choices and security, it becomes effectively impossible to break the cycle of poverty and leads to the marginalisation and isolation of the poor from society.

Generally, the concept of poverty being used by researchers is usually associated with income. Thus, income poverty reflects the lack of minimum required consumption needs in absolute and relative poverty term. Unemployment and poverty

are the two major hurdles that are restraining the path of development of the world economy at present. Unemployment refers to the situation when a person is able and willing to work at the prevailing wage rate but does not get the opportunity to work. Unemployment leads to financial crisis and reduces the overall purchasing capacity of a nation. This crisis results in poverty followed by increasing burden of debt. The term unemployment is directly related with the concept of labour force which refers only to involuntary unemployment. Unemployment has categorized between different sub-heads: Open Unemployment, Structural Unemployment, Disguised Unemployment, Frictional Unemployment, Seasonal Unemployment, Educated Unemployment, Technical Unemployment, and Cyclical Unemployment.

The volume of employment in any country depends to a great extent on the level of economic growth and inclusive distribution. Therefore, when a country makes progress and its production expands, the employment opportunities grow. In India during the past three decades or so the production has expanded in all the sectors of the economy. In response to these developments the absolute level of employment has also grown. During the last three decades a fairly consistent reduction of income poverty can be observed in the rural areas of almost all Indian states. Real wages in agriculture have increased quite sharply in most parts of India between the mid-1970s and the late 1980s, and this is apparently one of the basic causes of the decline in rural poverty, especially since the NSS data suggest that overall employment also increased in this period.

The organized sectors of the economy has also been growing reasonably in terms of incomes and output, but unfortunately this growth is not leading to much increase in organized sector employment. The rapid growth of output in agriculture and in the organized private sector has not succeeded expectedly to translate itself into higher direct employment in these important sectors. Rapid economic growth can potentially fetch a high rate of increment of productive and rewarding employment, which can lead to a reduction in poverty. However, the contribution of the growth process to poverty reduction does not depend only on the rate of economic growth, but also on the ability of the poor to respond to the increasing demand for labour in the more productive categories of employment.

Unemployment or underemployment is one of the core reasons of poverty. For the poor, who are deprived of most of the resources, labour is often the only asset they can use to improve their sustenance. Therefore, the creation of productive employment opportunities is very much needed for poverty alleviation and sustainable socio-economic development. It is essential to provide decent employment that both secure income and empowerment for the poor. Given the importance of employment for poverty eradication, employment generation should occupy a central place in national poverty alleviation strategies.

Three distinct strategies for reducing poverty in India may be identified as under:

1. In 1950's initially the policy-makers gave much importance for the maximization of economic growth by increasing investment assuring that the benefits arising out of it would 'trickle-down' and diffuse among all sections and sectors of the economy. But in the 1970s it was realized that the benefits of agricultural growth did not reach to the poor.
2. The second approach led by the 'structural school' which pleaded for the establishment of equalitarian state and suggested distribution of assets through land reforms, developmental programmes, co-operative farming, nationalization of industries etc. but this did not work up to the mark.
3. The idea came in 1980s that suggested attack on poverty through Rural Development Programmes such as IRDP, NREP, and RLEGP which merged in JRY programmes.

Since independence, the central and state Governments have adopted certain following measures to reduce poverty. They are Five Year Plan, Nationalization and 20 – Points Economic Programme

The goal of poverty-alleviation can be achieved through the participation of the people, voluntary organizations and industrializations with the Government in implementing the developmental programmes. To eliminate poverty Government undertake various alleviation programmes. In India there are too many poverty alleviation programmes which rise and few of them collapsed or merged with the

other programmes. Rowntree report (2011) claims that Anti-Poverty plan is failing millions.

Various Poverty Alleviation Programmes

Most of the poverty alleviation programs adopted in India during the last two decades are in the form of employment generation schemes aimed at the target group i.e., persons living below the poverty line. The major poverty alleviation programmes are discussed in following sections. As previously specified, poverty can be defined as social phenomenon in which a section of the society is unable to fulfil even the daily basic needs of life. When a substantial segment of a society is deprived of the minimum level of living and continues at as bare subsistence level that society is said to be plagued with the mass poverty. It is also believed that poverty anywhere, is a threat to prosperity everywhere. In India, most of the states are suffering from mass poverty that is a threat to the prosperity of India.

Some of the major poverty alleviation programmes are as follows- Pilot Intensive Rural Employment Project (PIREP), Crash Scheme for Rural Employment, Food for Work Programmes (FFWP), National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), Jawahar Rozgar Yojana (JRY), Employment Assurance Scheme (EAS), Swarnajayanti Gram Swarozgar Yojana (SGSY), Sampoorna Gramin Rozgar Yojana (SGRY), Swarn Jayanti Shahri Rozgar Yojana (SJSRY), Pradhan Mantri Gram Sadak Yojana (PMGSY), Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY), Antyodaya Anna Yojana (AAY), Annapurna Yojana, Pradhan Mantri Gramodaya Yojana (PMGY), Public Distribution System (PDS) and National Social Assistance Programme.

The present study is concerned with the impact of poverty on employment, unemployment and poverty, poverty alleviation through employment generation and employment generating poverty alleviation programmes in context to India.

Our study covers a period according to the implementation of the programme. The years vary between the schemes according to their inception. The present analysis is based on the post-reform period. This period of study is chosen keeping in view that the poverty alleviation programmes of the post-reform period were target oriented for

the objective of poverty alleviation and employment generation. These poverty alleviation programmes are not at all new, as they were introduced with first five year plan; but after 1991 the structure of these programmes has been made target oriented which brought in the major change in their performance. However, the comparative performance of the poverty alleviation schemes is being studied from their inception till date on the basis of availability of data. The period displays a mixed set of structural modifications and economic conditions for Indian Economy. The period of their existence is enough to reflect the impact of poverty alleviation programmes on employment generation. Only active schemes are taken into consideration, or those which are modified or renamed. Five or more year's period data has been considered, which seems as standard time to ascertain the long-term and sustainable performance of funds. Therefore, the sample data were picked up from 1999 to 2014, depending on their availability.

The performance of poverty alleviation programmes is evaluated by using simple log-linear regression analysis. There are several programmes of poverty alleviation with multi-dimensional aspects. There is a scope for further research in the area because poverty alleviation is an ongoing process.

The selection of the programme was aligned by keeping in the mind the major fact that they were well-entrenched and had been in place for at least last five years. Considering this, the final choice fell on three programmes are as- MGNREGA, SGSY, PMEGP. Final selection of these programmes was also confirmed after the conversation with the office-personnel of Nirman Bhavan, Aligarh District of Uttar Pradesh. After the selection procedure of the programmes, the national level as well as regional level data of India was collected for each programme. We chose five states (i.e. Bihar, Uttar Pradesh, Madhya Pradesh, Maharashtra and Gujarat) for regional level analysis. These states were selected on the basis of their per capita income. States with high per capita is Gujarat and Maharashtra and the states with low per capita income are Bihar, Uttar Pradesh and Madhya Pradesh. This comparison will help us to conclude that selected poverty alleviation programmes were able to perform better in which states. A comparative study will be done among the states and among the schemes too. Which programme is far better among all and in which state? But while collecting our data we find the variation in time period of each programme, so

we have decided to study each programme from the year of its inception. Thus, we have tried to analyse each programme from its inception to examine its performance during the distinct programme period and to observe the procedural changes throughout the period of that programme.

The study has following objectives:

1. To study the importance of poverty alleviation programmes in growth and development of Indian Economy.
2. To study the impact of poverty alleviation programmes on rural employment generation.
3. To analyze the effectiveness of poverty alleviation programmes in the states of the country.
4. To evaluate the relation between fund allocation and employment generation in a particular programme.
5. To evaluate the comparative performance of poverty alleviation schemes.
6. To find out which programme has been proved to be the best among the various employment generation programmes, in terms of structure, execution and performance.
7. To study the problems and prospects of poverty alleviation programmes in India.

Research Questions

The following questions will be discussed in the present study –

1. What is the basic nature of poverty in India?
2. What is the difference between the characteristics of rural and urban poverty?
3. What could GOI do for eradicating poverty?
4. What are the poverty alleviation programmes?
5. Are these poverty alleviation programmes helpful in employment generation?
6. Do the poor really get benefitted of these programmes?
7. What are major problems in the implementation of these programmes?

8. How could these poverty alleviation programmes be made more effective and inclusive?
9. What is the role of self help groups and NGOs in poverty alleviation?
10. What are the main reasons behind the difference of poverty alleviation performance in different states?

Hypothesis of the Study

In the light of above mentioned objectives the following hypotheses are formed:

1. Various poverty alleviation programmes have contributed to the employment generation in India.
2. The standard of living of the poor has also been enhanced by these programmes.
3. Some structural and functional modifications are still needed to make these poverty alleviation programmes more inclusive and accurate.

Research Methodology

For analyzing the problem, secondary data is collected from the website for various publications of the Government of India were used (such as- Planning Commission of India, Central Statistical Organisation, Census of India, Economic and Political Weekly's various issues, National Sample Survey Organisation, Yojana magazine, Kurukshetra magazine etc..). Some institutions, organizations, engaged in training and skill development were approached to know their perception of the problem. The research tries to summaries the current state of knowledge about the poverty alleviation programmes and their impact on employment situation in India. The analytical and descriptive as well as comparative methodology will be used to study the aforesaid perspectives.

Research Design and Tools of Analysis

An attempt has been made to collect the data regarding the poverty scenario in the post-reform period in India. To make an analysis of the poverty alleviation programmes at the national and state level, we have used basically collected our data on three programmes i.e. MGNREGA, SGSY and PMEGP programmes at national level as well as at state level. We used three variables of each programmes separately those are: total fund allocated by the programme through the centre and state, fund

utilized during the programme and employment generated during that particular period. Year-wise data has been collected. To find out the performance of poverty alleviation programmes in generating employment an attempt has been made through regression analysis. The performance evaluation of the various poverty alleviation programmes in the post-reform period in India has been examined and effective suggestions and policy measures have been made to make these programmes more viable and effective for poverty eradication in India.

Organisation of the Study

The thesis is presented into seven chapters.

The first chapter introduces the factors responsible for emergence of poverty alleviation programmes in brief. The need for the research study along with objectives and hypotheses and research methodology adopted to study the objectives, data analysis plan, framework adopted for impact analysis are discussed in this chapter.

The second chapter deals with various expert committee reports and research studies on different aspects of poverty and poverty alleviation programmes. Specifically the literatures on employment generation programmes have been reviewed to recognize the research gap. In the present chapter, literature has been classified according to the area of their studies, *i.e.* International, National and Regional levels. After going through various studies and literatures in the area of poverty and its alleviation it could be observed that one of the three persons in India is officially poor, and two of three are malnourished or under-nourished. Policy makers, the Government has to take more initiatives to tackle the persisting problem of poverty. Of course, poverty can never be eradicated instantly, but chronic poverty can be reduced and eliminated by sustained public policy. For this, the performance of the social sectors needs to be improved.

Poverty is a poisonous factor that everytime needs more and more studies to watch out the comparison between the past and present situations and to observe how much reduction has taken place in the area regarding to different factors. Other things in this area are also compared that how much reduction has taken place through poverty alleviation programmes and how many people are being employed in a given

period of the programme. Effects of programmes are needed to be captured to find out real story behind these programmes.

The third chapter deals with the different aspects of programmes in India which are helpful in alleviation of poverty, generation of employment and providing social security. The Government of India has been forming and implementing various Poverty Alleviation and Social Security Programmes since the early years of Indian independence. The poverty alleviation programmes in India can be categorized according to their targets and formations. Most of the programmes are designed to target rural poverty as the prevalence of the poverty is high in rural areas. Also targeting of the poor is challenging in rural areas due to various geographic and infrastructure limitations. The programmes can be mainly grouped into: 1) Employment Generation Programmes (Self Employment and Wage Employment Programmes), 2) Target Specific Programmes (Social Security and Food Security Programmes), and 3) Area Development Programmes (Tribal/Hilly/Drought-prone Area Development Programmes).

The fourth chapter deals with the development goals of India, poverty and unemployment status in India, and performance of various self and wage employment programmes. After the introduction of economic planning in India, various employment generation programmes and approaches have been adopted for development of the rural area. In the present study evaluation is specifically related to the socio-economic impact of these employment generation programmes. In our study an attempt has been made to evaluate special poverty alleviation programmes to check its impact on the employment generation.

The poverty alleviation programmes aimed to employ all those who are in search for job just to earn to overcome from hunger. The government has taken numerous steps to fulfil the objectives through implementation of various employment generation programmes. Thus, the emphasis laid on alleviation of poverty and generation of employment through two approaches; training for Self-Employment and provision of Wage Employment.

The nature of these programmes is to provide direct benefits to the poorer sections by making them employed and increasing their earnings. In actual, government tries to make them learn how to work, so that in future they always

indulge in work and be employed. This directly leads to reduce the poverty from the economy. The implementation of these programmes in our country is organized at the Central level and the State level. The functioning of the programmes is found in all the states of the country. Though, as the primary responsibility of carrying out these programme they require drive and direction from central as well as state governments for the proper development of this economy.

At present, there are different programmes functioning all over India. These programmes are mostly assisting the beneficiaries involved in the programme. Various employment generation schemes launched by Government of India through various Ministries/Departments had tried to bridge the gap for unemployed people. These flagship schemes are Swarnajayanti Gram Swarozgar Yojana (SGSY), Swarna Jayanti Shahri Rozgar Yojana (SJSRY), Prime Minister's Employment Generation Programme (PMEGP) and Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). During 2009-10, employment generation was of the order of 256.64 crore person-days from Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) besides, a total of 22.94 lakh Swarozgaries were assisted under Swarnajayanti Gram Swarozgar Yojana (SGSY) and Swarna Jayanti Shahri Rozgar Yojana (SJSRY) together. Prime Minister's Employment Generation Programme (PMEGP) generated 4.23 lakh employment opportunities.

The chapter compares the performance of MGNREGS, SGSY and PMEGP programmes at macro level. The profile of India on the performance of the three programmes at national level were analyzed and presented. In addition to these, comparison has been studied to review the best programme that can bring changes to the prevailing situation. In order to make macro level study on programmes to alleviate poverty, employment generation taken as dependent variable and fund utilised as independent variable. Schemes were selected mainly on the basis of availability of data of employment-specific programmes (such as - self-employment programme and wage-employment programme). To observe the employment generation total beneficiaries/workers were taken in numbers who have received employment under the programme. It generally felt that the employment from the programmes would interest only landless, marginal and small farmers and workers. So, the year-wise data of total numbers of employers/workers involve in the related

programme were selected. We have made an attempt to evaluate the impact of selected programmes on employment generation through analysis.

It would be useful to discuss and evaluate major three schemes launched during the successive plan periods with the specific objective of alleviating rural poverty and generating employment opportunities for the rural areas. An evaluation study carried on the programmes to assess the performance, effectiveness and impact of programmes in the country. Since the commencement of the five year plans, a number of rural employment programmes were implemented in the country so as uplift rural poor from below poverty line. Among them, our selected rural employment programmes MGNREGA, SGSY AND PMEGP schemes were also implemented successfully in the country. All these programmes have achieved the targets significantly in the beginning. But, later the declining trend of these programmes in generating employment indicates the disappointment of the programmes in the country in future prospects.

The fifth chapter deals with the impact analyses of the performance of MGNREGS, SGSY and PMEGP programmes in the five states of India. A comparative study has been pursued to examine that which programme is better to bring in the positive change in the condition of the poor. The chapter elaborates the socio-economic profiles of sample workers or worker households before and after implementation of the programme. Their level of awareness and realization of rights and entitlements under the programmes are examined from secondary data and results of analysis are presented.

The rural poor in India are highly concentrated in the states of the country, viz., Uttar Pradesh, Uttarakhand, Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, West Bengal, Maharashtra and Orissa. The poor from these nine states together account for nearly 76.2 percent of the total rural poor in India in 2004-05 as compared to 62.3 percent in 1973-74. The concentration of poor has increased in these states.

We examine available data with respect to the selected schemes to draw inferences about the suitability. But before examining the data, we will have a brief description of the selected states. The regression analysis is followed for each of the schemes analyzed, with some variations due primarily to availability of data and sometimes the nature of the scheme. The scope of the present chapter study has been

limited to five states (i.e. Bihar, Madhya Pradesh, Uttar Pradesh, Gujarat and Maharashtra) of India. These states were chosen on the basis of high per capita states (i.e. Gujarat and Maharashtra) and low per capita states (Bihar, Madhya Pradesh, and Uttar Pradesh). These states were also chosen on the basis of availability of data for each scheme.

For the analysis of performance of poverty alleviation programmes in the selected states of India we have selected three employment generation programmes MGNREGA, SGSY and PMEGP. The same three schemes we have used for our national level analysis in the previous chapter. The data used in the present study are secondary. Year for each scheme is different, depend on their implementation period (since inception till recent).

Convergence in policies at the Central and State Government levels would further drive inclusive growth. The Central and State governments should continue to harness growth enabling policies and increase their emphases on development of social infrastructure. For the sake of economic and social development of the country, improvement in governance as well as reduction in corruption is very much needed.

The chapter six discusses the arrangements made by the Government for effective implementation, review, monitoring and grievance redressal mechanisms at national, state and local level. Various strategies adopted in the planning process since inception; various types of schemes or works executed in India at different states along with their existence; and durability and usefulness of assets created are studied and presented. The impact assessment of the poverty alleviation programmes on employment and poverty and changes in income-expenditure pattern of sample households are also qualitatively analyzed in this chapter.

The effectiveness of the poverty alleviation programmes depends upon the factors involved in a programme to fulfill its planned objectives, keeping in mind the problems of the country. These poverty alleviation programmes have been affected by many internal and external factors, out of which some could be helpful and some could also be harmful for those programmes. Different programmes have different objectives including few similar ones. The objectives are structured by the Government after understanding the requirement of the country to overcome from the pertaining difficulties. The Government tried to solve the difficulties through the

introduction of Five Year Plans to bring in the development process. With the economic planning the Government has been introducing various poverty alleviation programmes to alleviate poverty as per the demand of that period.

The Indian experience shows that these poverty alleviation programmes have to go along with national development planning and as such, any reduction strategy should be a part of the overall development strategy of the country. It is needed to bring out intensive study on poverty alleviation programmes because not only one or two factors could be responsible for failure or success of any programme, there might be a number of causes. In the present chapter we focus on the subsequent issues that show some socio-economic changes, such as - impact assessment of poverty alleviation programmes for employment generation from the past to the present; role of the Government Organizations and Non-Governmental Organizations in motivating the deprived people in both rural and urban areas; problems that occur in the implementation of the programmes and the prospective scenario about the poverty alleviation programmes. These issues can be considered to understand other factors affecting the poverty alleviation programmes.

Further, given the over-arching objective of reduction of rural poverty in a focused and time-bound manner, some inter-related tasks of poverty alleviation programmes that assume significance are – strengthening Information, Education and Communication activities and mobilization of all the poor households into functionality effective SHGs and their federations; availability of necessary institutional mechanism for capacity building, credit, marketing etc.; building their capacity and skills for gainful and sustainable self-employment; enhancing their access to bank credit at reasonable rates and other financial, technical and marketing services; coordination with banks to improve the reach of rural poor and also having better bank linkages; provisioning of adequate resources to achieve the intended targets; infrastructure and other necessary arrangements for facilitating economic activities/enterprises taken up by rural poor; dedicated implementation structure equipped with professionals at various levels to strengthen the delivery mechanism; and the dedicated MIS system for transparency and convergence.

It can be concluded that in our nation there are many options to alleviate poverty but still we are struggling with these economic problems. Other than poverty

alleviation programmes we see various NGOs which are organized to fight against different vicious reasons such as for the women empowerment, against child labour, poor, poverty, employment etc. The basic reason for their establishment is to bring a stable, safe and healthy environment for the needy people. Likewise, in this path government agencies / organisations are also performing to bring the peace in the nation. These organisations are working as intermediary between the government and the poor people. A group is formed to train and help the poor. They make them to learn work and these efforts are successful. People are getting profit and they are earning.

Lastly **chapter seven** concludes as well as summarizes all the chapters and provides suggestions for future implementation. The scope for further research is also discussed.

The intention of this study is not to join the debate on the level of poverty reduction in the country but to recognize the reduction of poverty in the country during the post economic reform era and to undertake a social audit of poverty alleviation programme in this era of fast economic growth. The purpose of the study is to analyze the current poverty alleviation programmes and to evaluate the role of the poverty alleviation programmes in generating employment at national level as well as state level. The study attempted to explore the most important features that have significant impact on overall poverty situation. Specifically, the study attempted to discover the evidence of the financial variations impact the physical performance of the poverty alleviation programmes systematically.

The selection of programmes dealt here was not at random. Major rural development programmes were undertaken to know their effect on the country. Thus, the study centers on the answers of the following questions: 1. What is the basic nature of poverty in India? 2. What is the difference between the characteristics of rural and urban poverty? 3. What could Government of India do for eradicating poverty? 4. What are the major poverty alleviation programmes? 5. Are these poverty alleviation programmes helpful in employment generation? 6. Do the poor really get benefitted of these programmes? 7. What are the major problems in the implementation and functioning of these programmes? 8. How could these poverty alleviation programmes be made more effective and inclusive? 9. What is the role of

self-help groups and Non-Governmental Organizations in poverty alleviation? 10. What are the main reasons behind the difference of poverty alleviation performance in different states?

Thus, for solving the above mentioned queries the following objectives were focused upon in the study: 1. The importance of poverty alleviation programmes in growth and development of Indian economy. 2. The impact of poverty alleviation programmes on rural employment generation. 3. The effectiveness of poverty alleviation programmes in various states of the country. 4. The relation between fund allocation and employment generation in a particular programme. 5. The comparative performance of different poverty alleviation schemes. 6. The best programme among the various employment generation programmes, in terms of structure, execution and performance. 7. The problems and prospects of poverty alleviation programmes in India. 8. The awareness of the programmes within the society.

In the light of above stated objectives the following hypotheses were formed:

- a) Various poverty alleviation programmes have contributed to the employment generation in India.
- b) MGNREGA is better performing programme in current scenario.
- c) The standard of living of the poor has also been enhanced by these programmes in the states of India.

The present study has tried to analyze the importance of poverty alleviation programmes in growth and development of Indian Economy. We have studied the impact of poverty alleviation programmes on rural employment generation on both central and regional level. Three major employment generation programmes (MGNREGA, SGSY AND PMEGP) have been selected to analyze the effectiveness of poverty alleviation programmes at national level. While, we select five states to know the impact of these three programmes at regional level. During our analysis we kept other things constant and took our variables as funds utilization and employment generation. It was chosen to pursue comparative study among the programmes. We have used the log linear regression analysis tool to evaluate the relation between funds utilization and employment generation in a particular programme.

An attempt has been made to present a brief mapping of employment generation programmes at state and national level.

- ▶ We find the very strong relationship between fund utilization and employment generation.
- ▶ At national level, our results reveal that the elasticity between the funds utilisation and employment generation in SGSY found to be more than PMEGP and MGNREGA.
- ▶ Selected rural poverty alleviation programmes have significant impact on employment generation.
- ▶ MGNREGA found to be highly significant among three of the employment generating programmes at national level.
- ▶ At state level, our results show that the programmes have significant impact on the BIMARU states. The overall performance of all the three programmes in Bihar is very high.
- ▶ The programmes are performing well, though we found MGNREGA statistically insignificant in Madhya Pradesh and Uttar Pradesh and PMEGP in Maharashtra.
- ▶ The constraints from which these programmes suffer are organizational inadequacy and lack of clear cut plan of development and proper monitoring. Little attention has been paid to psychological, political, bureaucratic and economic forces that have been at work to interrupt these programmes.
- ▶ The review of the individual schemes and their functioning provides us the necessary background to undertake an assessment with a view to improve their effectiveness and utilisation. There is poor utilisation in one or two states in schemes, but one can argue that those could be ascribed to state-specific factors. However, it is not pertinent to say that there is no scope for improvement.

Thus, the study supports our hypothesis that rural poverty alleviation programmes have contributed to the employment generation in India as well as the standard of living of the poor has also been enhanced by these programmes. However, some structural and functional modifications are still needed to make these poverty

alleviation programmes more inclusive and accurate. Hence, the programmes really are helping the poor through the improvement of their livelihoods and hence, alleviating their income poverty.

Some factors have been proved to be hurdles in the way of community development and national employment schemes. Various studies have been conducted by different agencies and experts, which pointed out various deficiencies in poverty alleviation programmes. The shortcomings of these poverty alleviation programmes can be seen from the condition of India. Identification of poor is not an easy task especially in rural areas. Estimation of income is very difficult. So, some beneficiaries who were not, in fact, eligible for their inclusion in target group have taken the benefit. Allocations of funds are made without considering the size of poor people in various states and regions. Very low level of wages in the name of enlarging the number of beneficiaries is given to the labour in the programme. Non-poor people grab the loans by identifying themselves as poor. So far as implementation of funds is concerned it has not been satisfactory due to corruption and lack of people's participation.

Suggestions

The formulation of anti-poverty programmes cannot be considered sufficient to solve the problem of poverty, although the major role in this direction is played by these programmes. The task of identification of the poor should be assigned to local Government. Causes of poverty also vary from one location to other. So there should be localized identification of causes and remedies of poverty. Broad based approaches covering entire states do not enable scarce resources to be utilized in the most efficient manner. The most effective public policies to apply in any region are best identified through careful micro level analysis.

To eradicate the problem of employment and underemployment for the masses and unemployment for educated people, there is a need of having twin strategies to improve the livelihoods. The first sub-strategy should aim at rural and urban masses that are illiterate/semi-literate, unskilled, and semi-skilled. The second sub strategy has to address the educated as well as skilled unemployment.

Weekly payment should be ensured for the wage worker under a specific employment generation programme, implementing agency should be made responsible for payment of wage work on weekly basis and they can use the report for making payment as well as verification of muster roll (muster roll verification must be linked with payment system). Provision should be made for “payment audit by Gram-Sabha” for tracking the payment of the wageworker – demanding open transparency will help in taking side of the poorest and marginalized.

Strong political will to strictly implement time bound poverty alleviation programmes is very much needed. The NGOs also can play an important role in the process of alleviation of poverty; their efforts can be complementary to the Government efforts by working in neglected areas in official programs. So the activities of NGOs should be integrated with those of Government services.

On the basis of our study we can suggest following measures to make the programmes target-oriented and inclusively implemented –

1. Non-Government Organizations should be involved in the implementation of Poverty Alleviation Programmes.
2. Full utilization of allocated funds is necessary for implementing agencies.
3. Timely release of financial grants should be made necessary for the better implementation of the programme.
4. System obstacles and bureaucratic hindrances should be removed at every level.
5. Precaution should be taken in the selection of beneficiary for Poverty Alleviation Programmes.
6. Awareness should be created about the programmes of Poverty Alleviation through Media, Rallies, Nukkad Natak, etc.
7. Training should be started for increment of self-employment opportunities according to the demand of the market.
8. Accountability and transparency of the implementing authorities engaged in the process of implementation of the scheme should be strictly established.
9. Growth of Social Forestry should be facilitated, because employment of few people permanently can bring in employment for more others after few years.

To sum up, it might be concluded that while growth is important for poverty reduction, yet there are a number of other determinants as well for the same. These determinants are region – as well as time - specific. At the country level, structure of the economy, and employment rate again turned out to be among the chief determinants for poverty reduction; the other significant indicators are employment generated and fund utilized. At state level the programmes are implemented and the results are analyzed to make a comparison for better programme.

Scope for Further Research

As the topic is one of the important factors for Indian Economy. Poverty and unemployment have always remained on the top among all the economic problems. So, there has always been some scope for further research, just to fulfill the gap and to make some comparison between the past and future. The poverty alleviation programmes will continue till the eradication of poverty. One can always observe further study to make the comparison about the changes that had occurred in past and that should be needed in future. The conditions and requirements of these poverty alleviation programmes have certain variations which could be taken care of in further research.

CHAPTER - ONE

INTRODUCTION

The problem of poverty has persisted as the central challenge of development at the global level. Poverty is said to be the inability to attain a minimum level of well-being, is the most fundamental economic and social problem facing humanity. Poverty behavior can be transitory or chronic. Those who remain poor for short time duration and then move out of poverty are transitory poor. While chronic poor remain poor for their significant periods of lives, they may pass their poverty onto their children, for them finding exit routes from poverty is difficult. Thus, the severity of poverty is a description of the degree of poverty. The chronic poverty is the extreme case of poverty which actually makes a situation to kill people. Even when it does not kill, poverty is a basic deprivation that exploits the very possibility of human development. The relationship between development and poverty has remained imprecise even after decades of empirical research on development – region-wise, status-wise and for all categories of countries. It is thus state the obvious to declare that the reduction and ultimately the eradication of poverty must be a central goal for bringing in the actual development in the economy.

Poverty is a multi-dimensional concept. The eight Millennium Development Goals (MDGs), adopted in the UN Millennium Declaration in September 2000, to be realized by 2015 treating 1990 as the base year, which range from halving extreme poverty rates to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 form a blueprint agreed to by all the world's countries and the entire world's leading development institutions. They have awakened unprecedented efforts to meet the needs of the world poorest. The UN is also working with governments, civil society and other partners to build on the momentum generated by the MDGs. Even before the widespread associated with the MDGs by the United Nations, global poverty was understood to be a somewhat intractable problem. In broader sense, to understand poverty there should be some macro perspectives rather micro perspectives. Economically, the poor are not only deprived of income and resources, but they lack opportunities too. To these poor people market and jobs are often difficult to access because of their low capabilities,

and geographical and social exclusion. Their limited education and knowledge affect their ability to get jobs and to access information that could improve the quality of their lives. Due to inadequate nutrition and health services they have poor health which further limits their work prospects and affects their mental and physical condition poorly. This miserable situation is exaggerated by insecurity and self-helplessness. The poor live in marginal condition without resources to fall back on, any unexpected shocks become tough or impossible for them to cope with. The situation is made worse by the structure of societies and institutions that tend to exclude the poor from participating in decision-making over the direction of social and economic development. Poverty was taken as social phenomenon and as a major problem not only in India, but for all Third World Countries. One of the most leading developing countries of Third World Nations, India still struggles with poverty.

In India, the poverty data provided a fairly clear picture. Poor areas in India have higher poverty rates. The numerous policies and programmes in first few decades after Independence that sought to address poverty directly by promoting agriculture and small scale industry through regulation, or by limiting international trade to ensure adequate domestic supplies were quite ineffective in achieving their stated purposes. Poverty fell little during the slow growth period from Independence to 1974. During the faster growth period of the 1980s and 1990s poverty fell substantially. Since India became part of the global economy and underwent economic reforms in 1991, its economy has been growing at a faster rate of nearly 6 to 8 percent per annum. In the process, India has become the third largest economy in the world. In the last two decades, a significant proportion of the population across the country has reaped the benefits of this economic growth. They have become the part of global economy and market, and their lives have transformed into one of global citizens with all the comforts and luxury in life. Apart from this rapidly increasing middle class in the country, the economic growth seemed to have touched the lives of the poor also. According to the National Sample Survey (NSS) results, people living below poverty line (BPL) have dramatically come down during the post economic era. People living below poverty line declined from 36 percent in 1993-94 (50th Round, NSSO) to 26 percent in 1999-2000 (55th Round, NSSO).¹ Thus, the number of those below the poverty line declined to 21.9 percent of the population in 2011-12

1 Yesudian, C.A.K. (2007) "Poverty Alleviation Programmes in India: A Social Audit", Indian J Med Res 126, October 2007, pp. 364-373.

(68th Round, NSSO), from 29.8 percent in 2009-10 and 37.2 percent in 2004-05.² The incidence of poverty in selected South-East and South Asian countries shows considerable variations in the past, though a recent trend of improvement and development is observed in most of the developing countries. One reason of them may be Green Revolution that has helped several countries like - India, Indonesia, Pakistan, Philippines, and Bangladesh to some extent to prevent major food shortage related disasters though it has increased the income gap amongst the rural households of the developing countries. But the chronicle factor of poverty is still persisting in most of the nations, including India, after big targets and planning. The countries are still dependent on these poverty alleviation programmes, so the programmes are continuously improving and implementation of new programmes are undertaken by the countries to make better opportunities for the poor people. In India disparity of income and gender inequality had been major reasons of poverty and unemployment.

Before going into the depth of our study, first we shall acknowledge the questionable aspects of poverty for knowing its features, like in real life what is poverty? How it is measured to identify the people living in poor conditions? What are those conditions of the people living beneath poverty? What those people eat to survive? Do they have some benefits from the Government led poverty alleviation programmes? These are some questions on which India and other countries still struggling.

1.1 Poverty: Definition And Concepts

Many studies have grown over the past decades on poverty and its alleviation. United Nations Development Programme (UNDP) in 1997 reported that seven South Asian countries (comprising - Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) has emerged as the poorest, the most illiterate, and the most malnourished region in the world. According to the World Bank estimates under the latest Purchasing Power Parity (PPP) measures, the number of people living below the \$1.25 (approximately Rs.80) a day line falls from 1.2 billion people in the developing world. According to a new World Bank study two-thirds of the world's poorest people live in just five countries. Poverty is on the decline globally and those who are subsisting on less than \$1.25 a day are concentrated in five areas -India, China,

2 Economics Times 2013. Also see. http://articles.economictimes.indiatimes.com/2013-07-24/news/40771743_1_poverty-line-tendulkar-methodology-poverty-rates

Nigeria, Bangladesh and the Democratic Republic of Congo.³ The International Labour Organization (ILO) 2014 report specified that global unemployment increase by nearly 4 million in 2013, reaching 199.8 million, with the global unemployment rate remaining broadly unchanged at 6 per cent.⁴

Many economists define poverty in their own perceptions and terms. Adam Smith (1776) had rightly said, *“No society can surely be flourishing and happy, of which by far the greater part of the numbers are poor and miserable”*. The country has long been affected with a number of problems, but poverty is widespread in all areas of Indian society. Lester, R. Brown in his book ‘World without Borders’ explains poverty thus: *“Unfortunately, it is not an abstraction, it is a human condition. It is despair, grief and pain. It is the despair of the father with a family of seven children in a poor country when he joins the swelling ranks of unemployed with no prospects of unemployment compensation. Poverty is the longing of a young boy playing outside a village school but unable to enter because his parents’ lacks a few rupees needed to buy text. Poverty is the grief of parents watching a three year old child die of a routine childhood disease because they cannot afford any medical case.”*⁵ In other words, poverty can be addressed as state symbol in Less Developed Nations. Poverty is hunger, lack of shelter, being sick and not being able to see a doctor; it is not being able to go to school and not knowing how to read and write. The poorer not having any job and terror for future. They lack power and freedom. This is due to socio-economic inequalities and lack of job opportunities.

Generally, poverty is defined as a social phenomenon where a society is unable to fulfill its basic needs of life. The main goal of development is to eradicate poverty and reduce social imbalances. As poverty is world-widespread, so everyone defines poverty accordingly. Even to reduce poverty, certain measures are globally worked out by different institutions.

The World Bank defines poverty as *“a pronounced deprivation in well-being, and comprises many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity. Poverty also encompasses low levels of health and education, poor access to clean water and*

3 The Chronic Poverty Report 2014-15.

4 International Labour Report 2014.

5 Preserve articles. Also See. <http://www.preservearticles.com/201104115290/essay-on-poverty.html>

sanitation, inadequate physical security, lack of voice, and insufficient capacity and opportunity to better one's life".

A slightly different perspective is taken by UNDP, where poverty is taken to be a denial of human rights, i.e. those rights that are inherent to the person and belong equally to all human beings. According to UNDP, the human rights-based approach to poverty reduction espouses the principles of universality and indivisibility, empowerment and transparency, accountability and participation. It addresses the multi-dimensional nature of poverty beyond the lack of income. UNDP (2003), states that the respect for human rights is a necessary condition for socio-economic outcomes. This human rights-based definition challenges, to some extent, the opportunity that poverty is to be measured by a uni-dimensional criterion based on income and/or expenditure levels.

The UN Human Rights Council defined as *"a human condition characterization by the sustained or chronic deprivation of the resources, capabilities, choices, security, and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights"*.

At the UN's World Summit on Social Development, the 'Copenhagen Declaration' described poverty as *"a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information"*.

Leaders of all countries, including the G-8, agreed International Development Goals (IDGs) to reduce extreme poverty by 2015. Further, they make a statement that the goals are ambitious, but with the effort and commitment of developing and developed countries and international development agencies, they can be achieved.⁶

From the above definitions, it is clear that the poverty is deficiency of basic human needs. To help these deprived people in satisfying their basic needs, the Government provide various poverty alleviation programmes to arrange work for these people so that they earn and learn some work for their survival. There are major three essential closely interrelated aspects of poverty as – Poverty of Money, Poverty of Access and Poverty of Power. These three aspects are responsible for making the

6 Global Poverty Report July 2000. Also see http://www.iscet.pt/sites/default/files/obsolidao/Relat_Pobreza_Mundial_WorldBank_2000.pdf

working, living and social environments of the poor extremely insecure and severely limit the options available to them to improve their lives. Without choices and security, it becomes effectively impossible to break the cycle of poverty and leads to the marginalisation and isolation of the poor from society.

Generally, the concept of poverty being used by researchers is usually associated with income. Thus, income poverty reflects the lack of minimum required consumption needs in absolute and relative poverty term.

1.1.1 Absolute Poverty

The situation in which the consumption or the income level of the people is less than some minimum level necessary to meet basic needs as per the national standards is absolute poverty. This is expressed in terms of a poverty line. This refers to the measure of poverty, keeping in view of the economic condition of a country. Economists have specified many definitions of poverty in this respect but in a large number of countries, poverty has been defined in the context of per capita intake of calories and minimum level of per capita consumption expenditure.

a) Calorie Criteria

The energy that an individual gets from the food that he eats everyday, is measured in terms of calories. This view was first of all presented by Lord Boyd Orr, the first Director General of World Food and Agricultural Organization. According to him, an individual must get minimum 2300 calories per day. Those getting less than this minimum will be treated as below starvation/poverty line. In India, Planning Commission is of the opinion that an individual in rural area must get 2400 calories and in urban area, 2100 calories per day.

b) Minimum Consumption Expenditure Criteria

An expert committee was appointment in 1962, by the Planning Commission to determine poverty line, adopted Minimum Consumption Expenditure Criteria. As per this committee, those people will be treated as living below the poverty line whose per capita consumption expenditure at 2004 prices is below Rs 368 per month in rural areas and below Rs 559 per month in urban areas. This criterion of consumption expenditure was fixed by National Sample Survey Organization in the year 2004. According to Planning Commission estimate for the year 2011-12, 21.9 percent of India's population is still surviving below the poverty line. Though there is

a remarkable decrease in the numbers with comparison to that of 29.8 percent of the year 2009-10 and that of 37.2 percent of the year 2004-05.

1.1.2 Relative Poverty

Relative poverty refers to the poverty on the basis of comparison of per capita income of different countries. The country whose per capita income is quite less in comparison to other countries is treated as relatively poor nation. In poor nations, the part of population which is living at the bottom (whose income is less), is unable to fulfill the basic requirements of life. In the following table, India's per capita income is compared with the per capita income of some other countries.

TABLE 1.1: Comparison of Per Capita Income (Year 2010)

COUNTRY	PER CAPITA INCOME (in US \$)
USA	47580
UK	45390
JAPAN	38210
CHINA	2940
SRI LANKA	1790
India	1340
PAKISTAN	980

Source: World Development Report, 2012.

On the basis of above comparison, it can be concluded that India is a poor nation as compared to other nations. In per capita income, India ranks 136 in the world in the year 2010, which further descended to the rank 148 in the year 2013. More recently, interest in redefining poverty beyond income level has been triggered off by the initiative undertaken by the UNDP in devising new measures of human deprivation viz., the Capability Poverty and Human Poverty.⁷

1.1.3 Capability Poverty

The capability poverty studies the lack of three basic capabilities - Firstly, lack of capability to be well nourished and healthy. Secondly, lack of capability for healthy reproduction. Lastly, there is lack of capability for becoming educated and

⁷ Yadav, B.S.; Kumar, Deepak; Meena (2010), "Poverty in India-Concepts, Measurement and Alleviation", Shri Publishers and Distributors, New Delhi.

knowledgeable. Therefore, poverty alleviation induces to strengthen the power of the poor, what Amartya Sen has called, providing “Capabilities” to the poor, and simultaneously creating opportunities in society to facilitate the poor. Strengthening capabilities, therefore, is crucial for helping the poor to challenge and survive with not only an insufficiency of income but also a mass of other enemies as well, such as disease, disaster and discrimination.

1.1.4 Human Poverty

Some economists, in recent years, have contended that although income emphasises on an important dimension of poverty, the deprivation of people cannot be fully measured by only their income level. To get a complete picture of poverty, one has to study and address in terms of all types of deprivations: survival deprivation, deprivation in education and knowledge and deprivation in economic provisioning. Thus, poverty is said to denial of choices and opportunities for living a tolerable life. One has to bear the situation without expecting any miracle in life. According to the concept of human poverty, poverty is defined in terms of the denial of opportunities and choices most basic to human development and to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-respect and the respect of others.

1.2 Poverty Line

Poverty line is the line which indicates the level of purchasing power required to satisfy the minimum needs of a person. In other words, it represents the capacity to satisfy the minimum level of human needs. The purchasing power can be expressed in the form of average per capita monthly expenditure. If we have an idea of the minimum level of purchasing power required to keep a person at a minimum level of living, a little below which he would be considered as poor, this “purchasing power” could then be called poverty line. This line divides the population in two groups, one of those who have the purchasing power or more and the other group of those people who do not have this much of purchasing power. The former group is regarded as living ‘Above the Poverty Line (APL)’. These people are not regarded as poor. The latter group is considered as living ‘Below the Poverty Line’. These people are called poor. The commonly used measure of the extent of poverty is the proportion of the

population living below a certain level of living called the poverty line. Several criteria may be used to define poverty line.

1.2.1 The Proportion of Expenditure

The proportion of expenditure made on certain items of consumption such as food, fuel and light. Poor living is characterized by a large proportion of the total consumer expenditure on items essential for absolute physical existence. A poverty line is that level of expenditure of which a certain proportion, say 80 or 85 percent of total expenditure is devoted either to food, or food and fuel or food, fuel and light. The proportion of expenditure depends on the consumption level of the consumer.

1.2.2 Minimum Food or Diet

a) Basket of Commodities

The poverty line on the basis of minimum food may be a basket of commodities directly or the cost of basket of commodities in terms of income or expenditure. The standard technique is the estimation of the cost of the basket of commodities as the basis for the poverty line, which can be in terms of income or expenditure. According to the income level approach, the minimum income required for meeting the basket of commodities are attained and those whose income are below this level are considered poor. According to the consumer expenditure approach, the expenditure, necessary for meeting the basket of commodities is attained and those people or households who do not have this expenditure are considered below the poverty line.

b.) The Calorie Value of Food

Here, the poverty line may be derived in terms of the calorie intake directly or the cost of these calorie in terms of income and expenditure. If poverty line is directly arrived in terms of the calorie intake, the procedure is to convert all the food items into calories to arrive to the calorie intake. Thus, poverty line arrived at on the basis of Dietary Energy Requirement (DER) is in terms of calories. According to the Energy Requirement approach, several norms have been suggested at the international level (as represented by FAO/WHO) as well as at national level (National Institute of Nutrition/ Indian Council of Medical Research (ICMR) / Planning Commission, etc.), and also by Individual Researchers and this has led to many controversies. Sukhatme recommended a minimum of 1900 calorie per capita per day for an Indian, while

Dandekar recommended an average daily requirement of 2250 calorie per capita. The Planning Commission's task force recommended an average of 2400 and 2100 calorie per capita per day for rural and urban areas respectively.

1.2.3 Balanced Diet

Balanced diet may be attained at in physical terms or its cost in terms of income or expenditure.

1.2.4 Minimum Food, Clothing and Shelter (Basic Needs)

The poverty line in term of basic needs may be in terms of physical quantity or the cost of basic needs may be arrived at in terms of income or expenditure.

1.2.5 International Poverty Line

Recently economists talked about an international poverty line, which is defined in terms of \$1 a day per person.⁸

Thus, the measurement of poverty varies because of diverse kinds of measurements of poverty line. An institution's / organization's measurement of poverty ratio may differ from that of another. Asian Development Bank has defined a new international poverty line taking base of expenditure of US \$1.35 per day. On this criterion, 55 percent of India's population was living below the poverty line in the year 2007-08. In India, the poverty line is defined by NSSO. The NSSO tabulates Monthly Per Capita Consumer Expenditure (MPCE) on the basis of three different concepts: Uniform Reference Period (URP), Mixed Reference Period (MRP) and Modified Mixed Reference Period (MMRP). Once in 5 years, NSSO conducts a large survey to estimate the poverty. As per the NSSO reports of the year 2004-05, the term 'poverty line' is defined as monthly expenditure required for a daily intake of 2400 calories per person in rural areas and 2100 calories per person in urban areas. This expenditure is Rs. 368 per person per month in rural areas and Rs. 559 per person per month in urban areas in the year 2004. The NSSO estimates, 21.8 percent of India's population is still living below the poverty line in the year 2004-05.

Poverty line as per Tendulkar methodology is expressed as MPCE based on MRP. For 2011-12, for rural areas national poverty line was Rs. 816 per capita per

8 Yadav, Dr. B S. Kumar, Dr. Deepak. and Meena. (2010). *Poverty in India: Concepts, Measurement and Alleviation*. New Delhi: Shree Publishers & Distributors

month and Rs. 1000 for urban areas. As per international poverty line of US \$1.25 per day, 49.4 percent of India's population was living BPL in the year 2006. The all India poverty line so defined in 1973-74 was Rs. 49.63 for rural areas and Rs. 56.64 for urban areas which increased in 2004-05 adjusted for prices was Rs. 356.30 for rural areas and Rs. 538.60 for urban areas. For the year 2009-10, the Planning Commission had defined the poverty line as Rs. 22.40 per capita per day in rural areas and 28.60 per capita per day in urban areas. This translates to Rs. 672.80 per capita per month in rural areas and Rs. 859.60 per capita per month in urban areas. On this basis 29.8 percent of population was BPL in 2009-10 with 33.8 percent in rural areas and 20.9 percent in urban areas. According to the report of Tendulkar committee (2011-12), only 21.9 percent population of India lives BPL. This committee fixed the national poverty line at Rs 816 per capita per month for rural areas and Rs 1,000 for urban areas.

But the recent report on BPL estimation, Rangarajan Committee report (2014), revisited the above mentioned Tendulkar committee report. It defines the poverty line as Rs. 32 per capita per day in rural areas and Rs. 47 per capita per day in urban areas. This translates to Rs. 960 per capita per month in rural areas and Rs. 1410 per capita per month in urban areas. On this basis 29.5 percent of population was BPL in 2009-10 with 33.8 percent in rural areas and 20.9 percent in urban areas. The panel's recommendation, however, results in an increase in the BPL population, which is estimated at 363 million in 2011-12, compared to the 270 million estimate based on the Tendulkar formula. This means 29.5 percent of the India population lives below the poverty line as defined by the Rangarajan committee, as against 21.9 percent according to Tendulkar. For 2009-10, Rangarajan has estimated that the share of BPL group in total population was 38.2 percent, translating into a decline in poverty ratio by 8.7 percentage points over a two-year period. Thus, these trends show gradual improvement in poverty line of India. This is to be considered that there are various differences in the methods of estimating the line of poverty and PPP so we can notice some deviations in the reports of two committees in the same time period, thus it becomes so difficult to measure the actual situation in terms of poverty estimation.

1.3 Measurement of Poverty

The measurement of poverty in India has been tried by scale of poverty line. According to John Boyd Orr, the first Director General of United Nations Food and

Agriculture Organization (FAO), the 'Starvation Life' in 1945, was referred to the consumption of less than 2300 calories per person per day. Later on, this idea was replaced by the notion of poverty line. P.D. Ojha was the first economist to measure the poverty in terms of the per capita per day expenditure. According to his estimation, 44 percent of the population in India lived below the poverty line during 60s which remained constant from 1960-61 to 1968-69. B. S. Minhas specified this concept further and made clearer. He calculated the poverty line on the basis of the minimum per capita expenditure of Rs. 240 per annum. Accordingly, he viewed that 59.4 percent of the population was below the poverty line in 1960-61 which came down to 50.5 percent in 1967-68.⁹

The Indian Planning Commission accepted 'physical survival' concept of poverty line. According to this concept, the poverty line includes the minimum nutritional requirements of 2400 calories per person per day for rural areas and 2100 calories for urban areas. The Seventh Plan recognized Rs. 6400 per capita income as the poverty line for an average family of five persons.

The World Bank estimates the poverty at the global level. It estimates poverty worldwide, by using a URP line which is expressed in a common unit across countries. The new international poverty line of \$ 1.25 a day at 2005 prices is the mean of the national poverty line for the ten to twenty poorest countries of the world. Therefore for the purpose of global aggregation and comparison, the World Bank uses reference lines set at \$1.25 and \$ 2 per day (2005 PPP terms). Using improved price data from the latest (2005) round of the International Comparison Programme, new poverty estimates released in August 2008, show that about 1.4 billion people in the developing world (one in four) were living on less than \$1.25 per day in 2005, down from 1.9 billion (one in two) in 1981. The survey based on new benchmark of a poverty line of a daily income of \$ 1.25, claims that the number of poor people in India has gone up from 421 million in 1981 to 456 million in 2005.

India, however, measures its poverty as per its national poverty line (based on nutrition). Hence there is the difference between the two estimates. At the rate of \$ 1 per day (as per 2000 prices), poverty has reduced from 42 percent in 1981 and to 24 percent in 2005. But, according to the World Bank Report, percentage of people

9 Also see "Report of The Expert Group to Review the Methodology for Measurement of Poverty by the Government of India, Planning Commission reported on June, 2014.

living below \$ 1.02 per day dropped from 60 in 1981 to 42 in 2005. The World Bank reviewed and proposed revisions in May 2014, to its poverty calculation methodology and PPP basis for measuring poverty worldwide, including India. According to this revised methodology, the world had 872.3 million people below the new poverty line, of which 179.6 million people lived in India. In other words, India, with 17.5 percent of total world's population, had 20.6 percent share of world's poorest in 2013.

Once there is an agreement about the poverty line to be used, the committee / organizations can proceed to measure the extent of poverty in a certain population by a poverty index. The selection of an appropriate level of welfare is reflected in the choice of a cut-off or poverty line. Generally, apart from the selection of poverty line the measurement of poverty focuses on computing three indices. These reflect: a) The incidence of poverty as measured by the fraction in the total population living below the poverty line i.e. the head count; b) The intensity of poverty reflected in the extent to which the income of the poor lies below the poverty line, as measured by the differences between the two i.e. the poverty gap; c) The degree of inequality amongst the poor, in such a way that income transfers from the worse off amongst the poor to the less poor should raise measured poverty and vice versa i.e. the severity of poverty index. Also, there is various other poverty indices for counting purpose including them and the important ones are briefly reviewed here. Thus, the extent of poverty is depicted by the following measures:

1.3.1 Head Count and Head Count Ratio

It is calculated by dividing the number of people below the poverty line by the total population. It measures the proportion of poor in the total population. It is the ratio of number of poor below the poverty line. The head count (HC) is the number of individual 'I' such that $Y_i < p$. Thus, this can be written as,

$$HCR = HC / n$$

Where 'n' is the total population.

1.3.2 Poverty Gap Ratio or Income Gap Ratio

It is the difference between the poverty line and the average income of all households living below the poverty line, expressed as a percentage of poverty line. It indicates the depth and severity of poverty.

$$\text{PGR} = \frac{\text{Poverty Line} - \text{Average Income of BPL}}{\text{Poverty Line}}$$

1.3.3 Squared Poverty Gap Index

It is the mean of the squared individual poverty gaps relative to the poverty line. It indicates the severity of poverty as well as it is sensitive to inequality amongst the poor. In this sense it is without doubt the most appropriate measure of poverty. Amongst the Squared Poverty Gap Index, the most accepted is one developed by Foster, Grier and Thorbecke, which is known as FGT.

1.3.4 FGT Measure

The best known measure that addresses the distributional underpinnings of poverty is the class proposed by Foster, Grier and Thorbecke. This is a variant of the poverty gap ratio equation.

$$\text{PGR} = \frac{1}{N} \frac{\sum_{y_i < p} (p - y_i)}{P}$$

1.3.5 Sen Index of Poverty

This index is developed by Professor Amartya Sen, which is based on the head count ratio, poverty gap index and the Gini coefficient. It takes into account the extent and severity of poverty as well inequality. It is expressed as

$$S = H [I + (1 - I) G]$$

Where,

S = Sen Index of Poverty

H = Head Count Index

I = Poverty Gap Index

G = Gini Coefficient

1.3.6 Human Poverty Index (HPI)

The human poverty index (HPI) was specified in the Human Development Report (HDR) in 1997. This is an effort to bring together in a composite index the different structures of deprivation in the quality of life to attain at an aggregate judgment on the extent of poverty in a community. It measures deprivation in basic human development in the same dimension as the HDI. HDR, 2004 used the following variable for calculating HPI: probability at birth of not surviving to age 40

(times 100), adult literacy rate, unweighted average of population, not using improved water sources and children underweight of age.

HDR 2005 has presented HPI for 103 developing countries having adequate data. At the top of the rankings are Uruguay, Chile, Costa, Rica, Barbados and Cuba – these countries have reduced human poverty too and HPI value of 4.8 percent or less. In other words, these countries have reduced human poverty to the point at which it affects less than 5 percent of the population. At the bottom are four countries whose HPI exceeds 58 percent, Chad, Mali, Niger and Burkina Faso. In 40 countries out of 103 countries covered, the HPI exceeds 35 percent. India had an HPI value of 31.3 percent in 2003.

1.3.7 Multi-dimensional Poverty Index (MPI)

It was developed recently in 2010, by Oxford Poverty and Human Development Initiative and the United Nations Development Programme. It uses different factors to determine poverty beyond income – based lists. It uses the range of deprivations that afflicts an individual life. The measure assesses the nature and intensity of poverty at the individual level of education, health outcomes, and standard of living. The MPI is calculated as follows:

$$\text{MPI} = H \times A$$

Where,

H = Percentage of people who are MPI poor (incidence of poverty)

A = Average intensity of MPI poverty across the poor (percent)

1.3.8 Basic Needs Approach of Defining Poverty

Similarly, there is one more approach that defines poverty line on the basis of cost of fulfilling basic needs of a person to live a humane way of life. In this approach, poverty line is defined at monthly per capita consumption expenditure of Rs. 840. It means for a family of five persons, the poverty line is Rs. 4200 (840×5) per month. It implies that person whose income is below Rs. 840 per month is not able to live a humane way of life and is living BPL. Official data on poverty is not measured on the basis. If this approach is used, 69 percent of India's total population is living BPL. On the basis of this approach, in rural area 84 percent population and in urban areas 42 percent population is living BPL.

1.4 Trends of Poverty in India

Traditionally, discussion of incidence, trends and determinants of poverty in India is based on households sample surveys conducted on a quinquennial basis by the NSSO. Detailed data on consumer expenditure from nationally representative samples are available from the early 1970s to the present at intervals of five years (The NSSs began in the 1950s with the launching of the first nation-wide survey of household expenditures in 1950). The official poverty estimates, patterns and trends in poverty are determined on the basis of analysis of data on household consumption expenditures on which poverty lines are compared to separate the poor from the non-poor and determine the extent of poverty. These poverty lines are not arbitrary figures, but have been derived from age-sex-occupation-specific nutritional norms by using the all India demographic data from the 1971 Census which is based explicitly on estimates of the normative nutritional requirement of the average person in the rural and urban areas of the country separately.¹⁰ The two theories, in some way, mirror the ongoing debate between Nobel laureate Amartya Sen and Columbia University economist Jagdish Bhagwati. Amartya Sen makes a case for integrating development expenditure with growth to combat poverty, while Bhagwati argues that rapid growth should be the priority, with the resulting trickle down taking care of the underprivileged.

According to the Planning Commission in 2013-14, 25.7 percent of people in rural areas were below the so-called poverty line and 13.7 percent in urban areas. This is comparable with 33.8 percent and 20.9 percent respectively, in 2009-10, and 42 percent and 25.5 percent respectively, in 2004-05. According to World Bank, the developing world has already attained the first Millennium Development Goal target to cut the 1990 poverty rate in half by 2015. The 1990 extreme poverty rate \$1.25 a day in 2005 prices was halved in 2010, according to estimates. According to the global poverty estimates, 21 percent of people in the developing world lived at or below \$1.25 a day. That is down from 43 percent in 1990 and 52 percent in 1981. This means that 1.22 billion people lived on less than \$1.25 a day in 2010, compared with 1.91 billion in 1990, and 1.94 billion in 1981. The number of Indian poor was 42

10 Sen, Amartya. (1999). *Poverty and Famines: An Essay on Entitlements and Deprivation*. New Delhi: Oxford University Press.

crores or 55 percent as per head count ratio of which 25 crore or 33 percent are very poor in 1985, which will rise to 25 crore 30 lakh in 2000.

In India, percent of population living below the poverty line has come down, but still about 21.8 percent of our population is living BPL. If poverty is measured by international poverty line (consumption expenditure below 1.25 dollar a day) then the percentage of those living below the poverty line in India rises to 49.4 percent. The poverty ratio MPCE of Rs.816 for rural areas and Rs. 1000 for urban areas in 2011-12 at all India level has declined from 37.2 per cent in 2004-05 to 21.9 per cent in 2011-12. In absolute terms, the number of poor declined from 407.1 million (40.71 crore) in 2004-05 to 269.3 million (26.93 crore) in 2011-12 with an average annual decline of 2.2 percentage points during 2004-05 to 2011-12. Thus, these trends show improvement in poverty line of India as well as of other developing countries too.

1.4.1 Number of Poor Persons and Their Percentage in Total Population

This is clear from the given table as follows;

TABLE 1.2: Number and Percentage of Poor in Total Population

Year	Number of Poor (in Crore)	Poor in Total Population (Percent)
1973-74	25	54.9
1993-94	32	36.0
1999-2000	26	26.1
2004-05	24	21.8

Source: NSSO Reports

In the year 2004-05, the number of poor persons was 23.85 crore, out of which 17.03 crore lived in rural areas and 6.82 crore lived in urban areas. From 1999-2000 to 2004-05, poverty line fell by 0.8 percent per annum. As per this sample survey (small sample study) by NSSO, in year 2005-06, 20.4 percent of India's population was living below the poverty line. According to the estimates of UN report there is 32.7 percent of decline in total population in 2010.

1.4.2 Urban-Rural Comparison

It was found here that percentage of poor is more in rural areas as compared to urban areas. Trends in urban-rural poverty are clear from the table.

TABLE 1.3: Percentage of Rural and Urban Population BPL

Area	1973-74	1993-94	1999-2000	2004-05
Rural	56.4	37.3	27.1	21.8
Urban	49.0	32.4	23.6	21.7
Combined	54.9	36.0	26.1	21.8

Source: NSSO Reports

The above table shows that in the year 2004-05, 21.8 percent of total population in rural areas and 21.7 percent in urban areas were living below the poverty line. For the country as a whole 21.8 percent of population was living below the poverty line. By the completion of Eleventh Plan, percentage of people living BPL is expected to be around 10 percent.

1.4.3 Inter-State Comparison

In different states, there are wide variations in the percentage of population living BPL. In Orissa, Jharkhand and Bihar, percentage of poor population is much higher as compared to national average. Thus, for showing the disparity in the percentage of population living BPL we have chosen few random states. Inter-state comparison of poverty is clear from the table.

TABLE 1.4: Inter-State Comparison of Population BPL

State	Percentage of Population BPL (Year 2004-05)		
	Rural	Urban	Combined
Orissa	39.8	40.3	39.9
Jharkhand	40.2	16.3	34.8
Bihar	32.9	28.9	32.5
Gujarat	19.1	13.0	16.8
Madhya Pradesh	29.8	39.3	32.4
Maharashtra	29.6	32.2	30.7
Chhatisgarh	31.2	34.7	32.0
Rajasthan	14.3	28.1	17.5
Haryana	9.2	11.3	9.9
Himachal Pradesh	7.2	2.6	6.7
Punjab	5.9	3.8	5.2
Uttar Pradesh	33.4	30.6	32.8
All India	21.8	21.7	21.8

Source: NSSO Reports

In the year 2004-05, 75 percent of poor were concentrated in the six states namely Bihar, Orissa, Madhya Pradesh, Uttar Pradesh, West Bengal and Maharashtra. In the vast majority of the states, it was also observe acceleration in the decline in poverty between 2004-05 and 2009-10 compared to between 1993-94 and 2004-05.

1.4.4 International Comparison

In different countries, there are wide variations in the percentage of population living BPL. In international comparison of poverty, a uniform poverty line of consumption expenditure of US \$ 1.25 per person, per day has been used for all the countries. Percentage of people living BPL in developed nations is quite less as compared to percentage of people living BPL in developing nations. International comparison of poverty is shown in the table below.

TABLE 1.5: International Comparison of Population BPL (2005-06)

Country	Percentage of Population BPL (US \$ 1.25 per day)
Bangladesh	57.8
India	49.4
Pakistan	35.9
China	28.4
Sri Lanka	16.3
UK	< 1
USA	< 1
Japan	< 1
Germany	< 1

Source: World Development Report, 2010.

1.5 Nature of Poverty

As we have discussed ‘poverty is a widespread phenomenon’. So, it is present in both types of sectors; i.e. rural sector as well as urban sector. Amongst the labour class, casual laborers are worst placed in both the areas; rural area and urban area. However, the nature of poverty in both the sectors differs. To what extent it differs has been discussed below,

1.5.1 Rural Sector

In rural sector, the major groups of the poor are either landless agricultural labourers or those who own or have access to very small part of land that they are forced into wage labour to earn subsistence. Empirical evidence makes us believe that poverty and absence of the ownership of land are positively associated. Poor people in terms of income also tend to be deprived of other privileges in village society. A large volume of evidence mostly derived from work done by social anthropologist proposes that the ranks of the poor are manned substantially by people of low caste or 'Ultra Caste' tribal groups who are discriminated against in numerous ways in rural society. These may take various forms the barring of poor low caste groups from access to the best wells in the village to the governance of higher caste groups in village panchayat, where superior bargaining power is used.

There is higher concentration of poverty in the rural India. Region-wise rural poverty is lower in regions where the level of agricultural output per head is higher, and vice versa. Similarly, over a period of time, the regions experiencing a high rate of agricultural growth have shown a steeper reduction in rural poverty than the regions experiencing slower growth. The reasons for poverty in the country can be alarming population growth and rapid population growth, lack of investment, lower literacy rates, regional inequality and failure of PDS system, lack of alternative employment opportunities other than agriculture, joint family system and child marriage tradition. Various steps and modification in the programmes have been taken by the Government to reduce poverty in rural India. These programmes are such as follows: legal elimination of bonded labourers, preventing the centralization of wealth by modifying the law, Antyodaya Plan, Small Farmers Development Programmes (SFDP), Drought Area Development Programme (DADP), Food for Work Programme (FFWP), Minimum Needs Programme (MNP), Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP), Rural Labour Employment Guarantee Programme (RLEGP), Assurance on Employment, Swarna Jayanti Gram Swarozgar Yojana (SGSY), Mahila Samridhi Yojana (MSY), National Social Assistance Programme (NSAP), Group Life Insurance Scheme for Rural Areas, Rural Housing Programme, Pradhan Mantri Gramodaya Yojana (PMGY), Sampoorna Gramin Rozgar Yojana (SGRY), Indira Awas Yojana (IAY), Samagra Awas Yojana, Pradhan Mantri Rozgar Yojana

(PMRY), Agriculture Income Insurance Scheme and Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

1.5.2 Urban Sector

In urban areas, poverty can be recognized with people who are unemployed, under-employed or employed in occupations such as - portage, street peddling, etc. or employed in job either with uncertain employment or with very low real wages. In most of the metropolitan cities, migrant workers are prominent among the poor. This segment of poverty, in fact, is the extension of the rural poverty itself. The labour absorption capacity of land is always limited, and more often than not it seems to have reached the stagnancy level. The additional labour force are unable to find profitable employment opportunities in these villages so they decided to move to the nearby towns and metropolitan cities in search of work. Thus, migration has increased the problem of excess labour force in cities, resulting in underemployment of the migrated poor. The cities have fail to absorb even the existing labour force, any addition from outside only worsens the situation. The condition of the urban poor is further worsened by the fact that they are not the producers of food. The rising prices of all commodities, including food grains, during the last few years, have certainly made a further dent in an already not-so-happy a situation.

India is steeping forward for becoming a country with more urbanization. The recent experiences show the truth about the problems facing by urban areas same as in rural areas. The reasons can be: improper training, growing population, slower job growth and limited job opportunities of employment in the cities, failure of PDS and higher migration from rural to urban areas and lack of housing facility. The steps taken by Government in urban areas to eradicate poverty are: emphasis on vocational education, Nehru Rozgar Yojana (NRY), Self-Employment Programme for the Urban Poor (SEPUP), Financial Assistance for Constructing Houses, Self-Employment to the Educated Urban Youth Programme (SEEUY), Prime Minister Rozgar Yojana (PMRY), National Social Assistance Programme (NSAP) and Urban Basic Services for the Poor Programmes (UBSP), Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUEP), Swarna Jayanti Shahri Rozgar Yojana (SJSRY), Rural Labour Employment Guarantee Programme (RLEGP), Jawahar Gram Samriddhi Yojana (JGSY), Training Rural Youth for Self-Employment scheme (TRYSEM), Family Planning/ Welfare programme for population control,

Employment Assurance Scheme (EAS), Scheme for Rural Artisans/Craftsmen, and Development of Women and Children in Rural Areas programme (DWCRA).

Both, rural and urban areas have been effective from the vicious circles of poverty. In the Indian market three types of labourers can be found such as: self-employed, regular employed and casual labourers. The worst part of both the sectors is that of casual labourers. The casual labourers are high in numbers in Indian market. The work form of these labourers is unplanned and unexpected as whenever they want, they leave the jobs or they get the jobs only when they are needed, rest of the times they remain jobless.

1.6 Major Causes of Poverty in India

The fundamental thought attributes poverty at the macro level (national level) to the population explosion and poverty at the micro level (individual household level) to the high fertility level amongst the poor. Poverty cannot be attributed to any single cause or a single set of causes. It is complex phenomenon and as such as the outcome of the interaction of divers factors, economic and non-economic the real causes lie in the exploitative economic, social and political system prevailing in India. There are some major factors that cause poverty, such as - High Population Growth, Unequal Distribution of Income, Slow Job Growth, Increase in Prices, Slow Economic Growth, Chronic Unemployment and Underemployment, Agricultural Backwardness, Capital Deficiency, Lack of Able and Efficient Entrepreneurs, Lack of Proper Industrialization, Outdated Social Institutions, No Proper Use of Natural Resources, Lack of Developed Means of Transport, Unequal Distribution of Income, Natural Calamities, Corruption, Poor Work Culture and Lack of Technical Education. Thus, these are the basic cause of poverty which seems interrelated and even independent cause to affect the national planning. Throughout the history, whatever be the population size the underprivileged have always remained poor: slaves during slavery, serfs under feudalism and as landless labourers, small farmers, tribal, casual labourers, artisans and the slum dwellers under the present day capitalistic system. The root cause of poverty in India is the underdevelopment of Indian Economy. A poverty alleviation programme must wipe out the surpluses with the elite classes (landlords, money-lenders, merchants and traders, transporters and capitalists) since bulk of the surpluses exists in the form of black money. It is necessary to unearth black money so that resources are not misdirected into channels of luxurious consumption.

1.7 The Unemployment-Poverty Linkage

Unemployment and poverty are the two major hurdles that are restraining the path of development of the world economy at present. Unemployment refers to the situation when a person is able and willing to work at the prevailing wage rate but does not get the opportunity to work. Unemployment leads to financial crisis and reduces the overall purchasing capacity of a nation. This crisis results in poverty followed by increasing burden of debt. The term unemployment is directly related with the concept of labour force which refers only to involuntary unemployment. Unemployment has categorized between different sub-heads: Open Unemployment, Structural Unemployment, Disguised Unemployment, Frictional Unemployment, Seasonal Unemployment, Educated Unemployment, Technical Unemployment, and Cyclical Unemployment.

When an economy undergoes some dynamic changes in its organizational structure, it results in structural unemployment. This type of unemployment may also emerge if the lack of aggregate demand continues for a substantially long period of time. In case of frictional unemployment, workers are temporarily unemployed. There may be cases of hidden unemployment where workers restrain themselves from working due to absence of appropriate facilities. Like all the underdeveloped countries, India, in present situation, suffers mainly from structural unemployment which exists in open and disguised forms. Lack of effective aggregate demand of labour is one of the main reasons for unemployment. A substantial portion of the total workforce in India works as surplus labour. This problem is particularly prevalent in the agricultural sector.

The volume of employment in any economy depends to a great extent on the level of economic growth and inclusive distribution. Therefore, when a country makes progress and its production expands, the employment opportunities grow. Thus, employment leads to poverty alleviation if it is accompanied by a reasonable level of income. In India during the past three decades or so the production has expanded in all the sectors of the economy. In response to these developments the absolute level of employment has also grown. A fairly consistent reduction of income poverty can be observed in the rural areas of almost all Indian states.

With increased access to external debt and with agricultural growth higher than the long-term average, the Indian Economy has much better been placed on the supply side, with both traditional supply constraints greatly eased. The organized sectors of the economy has also been growing reasonably in terms of incomes and output, but unfortunately this growth is not leading to much increase in organized sector employment. The rapid growth of output in agriculture and in the organized private sector has not succeeded expectedly to translate itself into higher direct employment in these important sectors.¹¹ Rapid economic growth can potentially fetch a high rate of increment of productive and rewarding employment, which can lead to a reduction in poverty. However, the contribution of the growth process to poverty reduction does not depend only on the rate of economic growth, but also on the ability of the poor to respond to the increasing demand for labour in the more productive categories of employment.

Unemployment or underemployment is one of the core reasons of poverty. For the poor, who are deprived of most of the resources, labour is often the only asset they can use to improve their sustenance. Therefore, the creation of productive employment opportunities is very much needed for poverty alleviation and sustainable socio-economic development. It is essential to provide decent employment that both secure income and empowerment for the poor. Given the importance of employment for poverty eradication, employment generation should occupy a central place in national poverty alleviation strategies.

1.8 Poverty Alleviation Strategies in India

The government forms and executes its plans in a planned and systematic way to reduce poverty and to ensure socio-economic development. Therefore, various poverty alleviation programmes were launched to generate employment. There are distinct past strategies for reducing poverty in India:

In 1950's initially the policy-makers gave much importance for the maximization of economic growth by increasing investment assuring that the benefits arising out of it would 'trickle down' and diffuse amongst all sections and sectors of the economy, but it proved to be a wrong decision later. By early 1970s, the

11 Ghosh, Jayati. (1998). Assessing Poverty Alleviation Strategies for Their Impact on Poor Women: Study with Special Reference to India. United Nations Research Institute for Social Development. Discussion Paper No. 97, October 1998.

introduction of modern scientific practices and the adoption of high yielding varieties ushered in the Green Revolution that brought in its wake up sufficiency in food production. But in the 1970s it was realized that the benefits of agricultural growth did not reach to the poor as the Green revolution technology benefitted the better endowed regions. It was not suited to the arid and rain-fed areas. Thus, for these areas area development programmes were launched.

The ‘structural school’ which pleaded for the establishment of equalitarian state and suggested distribution of assets through land reforms, developmental programmes, co-operative farming, nationalization of industries etc. but this did not work up to the mark. In the 1970s and 1980s it was realised that an integrated approach was required. In 1980s, the strategy of direct attack on poverty through rural development programmes such as IRDP, NREP, and RLEGP which merged in JRY programme. The direct involvement for addressing rural poverty comprised components which included: supply of income generating assets with subsidy, training of rural youth for self-employment and development of women in rural areas for skill development, housing for rural poor, irrigation and shallow tube wells in the lands of the poor and meeting the minimum basic needs.

Since independence, the central and state governments have adopted certain following measures to reduce poverty. They are: Five Year Plan, Nationalization, 20 Points Economic Programme and Centrally Sponsored and State Poverty Alleviation Programmes. The measures for alleviating poverty are those affecting the: demand for work, training in labour skills, changes in the social system and the distribution of assets and income. In the late 1990s, various programmes in place for poverty reduction were reviewed and it was observed that there was a multiplicity of the programmes. A number of separate programmes have resulted in lack of desired linkages among these programmes.

The Eight SAARC summit which was held at New Delhi in May, 1995 had decided to designate 1995 as the “Year of Poverty Eradication” and adopted agenda for action was: strategy for mobilizing resources, policy of decentralized agricultural development, and small scale labour intensive industrialization.

The goal of poverty alleviation can be achieved through the participation of the people, voluntary organizations and industrializations with the Government in

implementing the developmental programmes. To eliminate poverty Government undertake various alleviation programmes. In India there are too many poverty alleviation programmes which rise and few of them collapsed or merged with the other programmes.

1.9 Poverty Alleviation through Employment Generation Programmes

Most of the poverty alleviation programs adopted in India during the last two decades are in the form of employment generation schemes aimed at the target group i.e., persons living below the poverty line. In India, most of the states are suffering from mass poverty that is a threat to the prosperity of India. Poverty Eradication and hunger abolition through employment in the community has been one of the main goals of planning in India. Since the planning era, various target oriented as well as area oriented programme and schemes have been implemented for the generation of income with the purpose to eradicate poverty, inequality and backwardness from the rural areas. Eradication of poverty remains a major challenge of planned economic development. Given the enormity and difficulty of the task, the Eleventh Plan expects inclusive growth as a strategy. Poverty and unemployment are interrelated, having cause-effect relationship. Unemployment lowers productivity and increases the incidence of poverty. Poverty, in turn, breeds disappointment. These problems, highlighting each other, if they exist for long, lead not only to serious economic consequences but also upset all human values and put a top on crime and other social deviations.

A major objective of the State Government is to improve the standard of living and quality of life of its people, particularly of under privileged and weaker sections of the population. The strategies and priorities for removal of poverty and unemployment differ from state to state. In order to alleviate poverty, and raise the living standard of the people, various programmes, aiming to create income generating activities and employment and step up productivity levels were launched both in the rural as well as urban areas. Achievements have also been quite substantial but not enough to enable the state to get rid of the threat of poverty and unemployment completely.

The wage employment programmes provide a livelihood during the lean agricultural season as well as during drought and floods. These programmes were first

started during the Sixth and Seventh Plan in the form of National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programmes (RLEGP). These programmes were merged in 1989 into Jawahar Rozgar Yojana (JRY). A special wage employment programme in the name of Employment Assurance Scheme (EAS) was launched in 1993 for the drought prone, desert, tribal and hill area blocks in the country. Different wage employment programmes were merged into Sampoorna Gramin Rozgar Yojana in 2001. NREGS, launched in 2006, aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work. During 2008-09, 4.51 crore households were provided employment under the scheme.

1.10 Poverty Alleviation Programmes in Five Year Plans

In India, the planned economic development began in 1951 with the inception of the First Five Year Plan. The theoretical efforts for economic development in Indian Economy had already begun before independence. In the year 1934, Sir M. Visheshvaraya wrote a book named 'Planned Economy for India', which was the first attempt in this direction. In 1938, the Indian National Congress, under the leadership of Pandit Jawaharlal Nehru, made a National Planning Committee. Its recommendations could not be implemented due to the beginning of the Second World War and changes in the Indian political situation.

In 1944, eight industrialists of Bombay presented a well-organized plan called 'The Bombay Plan', which could not be brought into action due to various reasons. In August 1944, the Indian Government inaugurated a separate department called 'The Planning and Development Department' and appointed Sir Ardishar Dalal, the controller of Bombay Plan, as its acting member. Inspired by the economic views of Mahatma Gandhi, Shri Sriman Narayan constructed a Plan in 1944 which is known as 'Gandhian Plan'.

M. N. Rao, Chairman of post-war Reconstruction Committee of Indian Trade Union, introduced a 'People's Plan' in April 1945, this plan introduced before independence again could not be implemented due to various reasons. In 1946, the Interim Government formed which established a High Level Advisory Planning Board in order to study the problems of planning and developments in the country.

The Board studied all the problems very deeply and gave recommendations to establish a stable Planning Commission at the central level which could continuously work for the planning and development of the country. In January 1950, Jaiprakash Narayana published a plan called 'Sarvodaya Plan'. The Government did not accept the entire plan and adopted only few parts of it. The Planning Commission was constituted on 15th March, 1950, by the Government of India. In Pre-Liberalization Period, Indian Economic Policy after independence was influenced by the colonial experience, which was seen by Indian leaders as exploitative, and by those leaders exposure to British social democracy as well as the progress achieved by the planned emphasis on import substitution.

Until now Eleven Five plans and six annual plans have been completed. 12th plan 2012-17 which has finally been approved by NDC is in operation with effective from April 1, 2012. Since the independence of India, the approach to addressing major issues and providing the planning and policy framework on crucial aspect of the economy are given shape through the Five Year Plan.

The focus of first four Five Year Plans (1951-1973) was on economic development, along with equity and justice. It was in the Fifth Five Year Plan (1974-79) that poverty removal was addressed as a principal objective but the plan did not approach the issue directly. Although the issue of defining a poverty line was first addressed by a Working Group of the Planning Commission (constituted in 1962), it was the Task Force on Minimum Needs and Effective Consumption Demand (constituted by Planning Commission in 1979) that considered age, sex and activity profiles of population together with average calorie norms. For the first time, it was officially recognized that despite the sizeable gains in economic development and improvement in the living standards, consumption levels of the bottom 30 percent of the population accounted for only about 14 percent of the total private consumption and there were wide disparities in the consumption levels, posing a "potential threat to the unity, integrity and independence of the country". The Task Force on Minimum Needs and Effective Consumption Demand defined the poverty incidences through consumption baskets and its calorie contents. The requirements were placed at 2,400 calories for rural areas and 2,100 for urban areas (Nutrition Expert Group and the Indian Council of Medical Research). In monetary terms, this worked out at 1973-74 prices, to a per capita monthly expenditure of Rs. 49.09 (\$6.54) and Rs. 56.64 (\$7.55)

for rural and urban areas, respectively. At the price level of 1989-90, the poverty line would be Rs. 153.04 (\$8.50) for rural and Rs. 176.65 (\$9.81) for urban areas. The relevance of calorie intake as the only criterion for determining poverty has been questioned since then, as it does not take into account regional variations and leaves out other manifestations of poverty, such as lack of access to basic amenities like water, and services like health or education and even a basic need like shelter. Therefore, the need for evolving alternative methodologies focusing on the quality of life was stressed.

The Fifth Five Year Plan did not formulate any special strategy for poverty removal; it sought to reduce its incidence through the economic growth processes and ongoing programmes like the Minimum Needs Programme, and public procurement and distribution of essential goods. The Fifth Five Year Plan also made no distinction between rural and urban poverty.

During the Sixth Five Year Plan (1980-85), the limits of 'Income Growth' approach to reduce incidence of poverty was recognized. It placed 'poverty reduction' on high priority and emphasized on identification and measurement issue of poverty, development of realistic targets, and formulation of specific programmes to meet the targets. It identifies specific poverty groups to substantially bring down the poverty incidence in the country. An integrated approach in terms of interventions for sustainability was introduced through a programme known as IRDP that had capacity building components in terms of employable skills and credit components. It laid foundation for direct attack on urban poverty by establishing a centrally sponsored programme called the Environmental Improvement of Urban Slums, slum improvement and up gradation, and sites and services projects in several cities. It provided for moving nearly six million urban poor above poverty line, essentially through provision of additional consumption benefits, access to better and more equitable distribution of health, education, sanitation and drinking water and slum improvement and environmental programme.

The Seventh Five Year Plan (1985-90) made the first conscious attempt to directly address the urban poverty. It explicitly noted the growing incidence of poverty in the urban areas and the rapid growth of slums caused by persistent rural-urban migration, overcrowding in relatively unskilled and low paid jobs in the informal sector. The Plan proposed multi-pronged strategies for provision of gainful

employment to the unemployed, raising earnings of low paid jobs, and improving access of urban poor to basic services such as education, health care, sanitation and safe drinking water. Two programmes were launched to directly assist the urban poor namely, UBSP and SEPUP. The UBSP concentrated on provision of basic services at the settlement levels and the SEPUP was to pull up the low skilled, whose demand was still significant in the lives of the citizens.

The Eighth Five Year Plan (1992-97) strategy included expansion of employment opportunities and augmentation of productivity and income levels of both the unemployed and under-employed. Integration of the existing special employment programmes with sectoral development programmes was taken as a measure to achieve sustainable employment. Enhanced outlay was allocated to 'rural development', for which resource utilization for building up rural infrastructure was considered necessary. Existing special employment programmes namely the IRDP and JRY were extended to generate short term employment for the unemployed and the under-employed in the rural areas. A reduction in the dependence on the administration for development was marked by encouraging greater self-help by the people and their participation in programmes through Panchayati Raj Institutions (PRI), cooperatives and other self-managed institutions.

The Ninth Five Year Plan (1997-2002) recognized the importance of basic services in poverty alleviation and special emphasis was placed on seven basic minimum service (safe drinking water, primary health facilities, universal primary education, nutrition to school and pre-school children, shelter for the poor, road connectivity for all villages and habitations, and the PDS). Special efforts were made to achieve a minimum level of satisfaction in providing these services in partnership with the State Governments and PRIs. The Involvement of PRIs voluntary organizations and community based Self-help Groups was encouraged in the process of poverty eradication and economic growth. The IRDP continued as a Self-Employment Programmes targeted to families living below the poverty line in the rural areas of the country. The employment programmes for the unemployed and under-employed in the earlier a new single programme SJSRY phased out plans (NRY, PMIUPEP and UBSP) and special emphasis was given to self-employment through micro-enterprises and skill development and development of women and children. Given the enormity and complexity of the task, the Ninth Five Year Plan

envisaged a multi-pronged approach. Besides recognizing the role of high economic growth in tackling poverty, the strategy comprised creation of entitlements (through self-employment and wage employment schemes, Food Security and Social Security) and building up of capabilities (through basic minimum services like education, health and housing).

The Tenth Five Year Plan (2002-2007) has placed the thrust on enlargement of self-employment and wage employment programmes and their effective delivery is considered as imperative to achieve reduction in poverty. NGO participation and formation of Self-help Groups are important components of the strategy. The IRDP continues to concentrate on individual beneficiaries and SGSY lays emphasis on social mobilization and group formation. The tenth plan recognizes that development objectives need to be defined not just in terms of increases in Gross Domestic Product but in broader terms of enhancement of human well-being. Although, the Plan aims at a growth target of 8 percent per annum, in order to reflect the importance of these dimensions it also identifies specific and monitorable targets for a few key indicators of human development. Reduction of poverty ratio by five percentage points by 2007 and by fifteen percentage points by 2012; Providing gainful and high quality employment at least to addition to the labour force over the tenth plan period; All children in school by 2003; and all children to complete 5 years of schooling by 2007; Reduction in gender gaps in literacy and wage rates by at least 50 percent by 2007; Reduction in infant mortality rate to 45 per 1000 live births by 2007 and to 28 by 2012; Reduction in maternal mortality ratio to 2 per 1000 live births by 2007 and 1 by 2012.

The Eleventh Five Year Plan (2007-2012) was intended to step up economic growth rate to 9 percent. The state economy, as measured by growth in the real Gross State Domestic Product on an average was expected to grow at 8.33 percent during the 11th Five Year Plan period (2007–12) - even surpassing the All India's GDP growth of 7.94 percent for the same period. The Eleventh Plan seeks to remedy these deficiencies by seeking to accelerate the pace of growth while also making it more inclusive. The growth objective was to achieve an average growth rate of 9 percent per annum for the Plan period. The objective of inclusiveness is reflected in the adoption of 26 other monitorable targets at the national level relating to –Income and Poverty, Education, Health, Women and Children, Infrastructure, and Environment. Some of

these national targets have also been disaggregated into thirteen state level targets. It is expected that the state governments design policies and programmes to achieve them.

The Twelfth Five Year Plan (2012-2017) - The Government intends to reduce poverty by 10 percent during the 12th Five Year Plan. According to the Planning Commission report the growth rate in the first year of the 12th Plan (2012-13) is 6.5 to 7 percent. The Planning Commission of India aims to reduce poverty estimates by 9 percent annually on a sustainable basis during the Plan period.

A glimpse of target and achievement of Five Year Plans is shown in the following table:

TABLE 1.6: Achievement of the Five Year Plans (in percent)

Plan Period	Period	Target	Achieved
First Five Year Plan	1951-56	2.1	3.5
Second Five Year Plan	1956-61	4.5	4.2
Third Five Year Plan	1961-66	5.6	2.8
Annual Plan	1966-69	-	3.9
Fourth Five Year Plan	1969-74	5.7	3.2
Fifth Five Year Plan	1974-78	4.4	4.7
Annual Plan	1979-80	-	-5.2
Sixth Five Year Plan	1980-85	5.2	5.5
Seventh Five Year Plan	1985-90	5.0	5.6
Annual Plan	1990-92	-	3.4
Eighth Five Year Plan	1992-97	5.6	6.5
Ninth Five Year Plan	1997-2002	6.5	5.5
Tenth Five Year Plan	2002-07	7.9	7.7
Eleventh Five Year Plan	2007-12	9.0	8.0
Twelfth Five Year Plan	2012-17	8.0	-

Source: Economic Survey Reports

1.11 History of Planning in India

1.11.1 The Past Phase

Alleviation of poverty has constantly been one of the foremost objectives of our Five Years Plans had generally continued on the statement that the normal programmes of development would increase the living circumstances of the poor through the trickle down benefits. The trickle down hypothesis means that rapid growth of per capita income will trickle down in improved level of living for the very poor. In the context of rural India, this theory has been understood to mean that agriculture growth without major institutional reform will reduce poverty. The initiation of community development programme in 1952 was a revolution in the history in India which accompanied in an era of development. It adopted a systematic integrated approach to rural development with a chain of village level workers and block level workers drawn from various fields to bring improvement in the rural life. During the Third Five Year Plan, the thrust was maintained through a series of development schemes through allocation under the NES programmes. This was succeeded by the Small Farmer's Development Agency, Marginal Farmer's Development Agency, Crash Schemes for Rural Employment, Food for Work Programme, Drought-Prone Area Programme, and Desert Development Programmes in early seventies.

None of these programmes systematically covered the whole country, though in a certain parts of the country some of these programmes operated simultaneously for the same targeted groups. Even the states introduce their state-oriented programmes. Apart from this territorial overlap, the major limitations of these programmes was that they were reduced to mere subsidy-giving programmes, lacking any planned approach to enable the rural poor achieve a higher level of income. The temporary nature in these programmes further reduced their effectiveness from the point of view of poverty alleviation. Hence, the needs were felt for undertaking programmes that were not only for more complete in coverage but could also make a direct assault on poverty.

Thus, the problem of poverty continued to affect the poor and the number of poor continued to spread. Only with the Fifth Plan, poverty alleviation came to be accepted as one of the major objectives of economic planning in this country. Hence,

the Fifth Five Year Plan contemplated a direct attack on poverty. To quote Fifth Plan Document *“Employment is the surest way to enable the vast numbers, living below the poverty level to rise above it. Conventional fiscal measures for redistribution of income cannot, by themselves, make a significant impact on the problem. The elimination of object poverty will not be attained as a corollary by certain acceleration in the rate of growth of the economy alone. In the Fifth Plan it will be necessary to launch a direct attack on the problem of unemployment, underemployment and massive low end poverty”*¹²

1.11.2 The Later Phase

The enactment of the new major programmes IRDP, NREP, and RLEGP introduced during the Fifth Plan. These programmes were considered keeping the major objective of the poverty alleviation. The IRDP was initially started on 1978-79 in 2300 development blocks as a programme of total development. During the Sixth Plan it was extended to the entire country. IRDP and its allied programmes of TRYSEM and DWCRA are major self – employment programmes for poverty alleviation. The basic objective of IRDP was to enable identified rural poor families to augment their incomes and crash the poverty line through acquisition of credit – based productive assets. The support was given in the form of subsidy by the Government and term credit by the financial institution for income generating activities.

The high incidence of poverty in rural India is directly related to dominance of unemployment and underemployment on a large scale. The employment- oriented programmes may be either to deliver self-employment or to provide wage employment. The rural workforce continues to suffer due to excessive seasonality of employment, lack of wage employment opportunities and very low wage rates. Majority of the rural population is landless and endures entirely on wage employment. While the Self-Employment Programmes are planned to remove poverty on a sustainable basis, there is need to take care of the wage employment needs of the rural poor. Migration of labour, judgment between wages paid to men and women, distressed child labour etc. are therefore, common features of rural areas. An effort to provide wage employment, as a short-run strategy for alleviation of rural poverty has been a major component of development planning in India. These programmes

12 Planning Commission, Approach to Fifth Plan (1974-79), p-8.

contributed to a great extent in alleviating rural poverty and in improving quality of rural life.

1.12 Statement of the Problem

The problem of poverty and unemployment is considered as the major challenge to improve development in India. High poverty levels are synonymous with poor quality of life, deprivation, malnutrition, illiteracy and low human resource development. The slogan of removal of poverty has been adopted by all political parties in one or another form and there is national agreement for the goal of poverty alleviation. The national consensus and poverty alleviation provided the necessary condition for launching various schemes and programmes aimed at achieving this objective. But the persistence of vicious circle of poverty during the years suggests that the national consensus on objective did not and could not provide sufficient condition for poverty alleviation.

Poverty is a great model and social challenge. It is not a recent phenomenon in India. Ample evidence of its miserable incidence amongst the masses is found in the literary and descriptive accounts of pre-colonial times. Since Independence, each plan document has been making big pronouncement for the removal of poverty, yet after sixty-seven years India is still struggling with poverty. The people have a problem of poverty to the extent that low income creates problems for those who are not poor. Accordingly, the reality and continuation of poverty is due to injustice prevailing in the system, which has given rise to disparity and dualism. There is the world of the rich and poor, united by the tradition of common distresses. Poverty has national as well as global meaning. The school of thought in Malthusian line contemplates poverty is due to excess or over population It could also be looked upon a problem of low production and productivity vis-à-vis population size of the country. The other school thinks that it is a problem related with distributive justice. According to this view point inequality in the system has given rise to poverty problem.

There have been various poverty alleviation programmes since the independence of India to improve the economic condition of the poor of the country; Employment Generation is also a sub-category of those programmes. But there always remain certain faults in their performance. As a result of this these

programmes are not benefitting the poor in terms of increasing their income and upgrading their livelihoods. The benefits are absorbed by the upper level people.

1.13 Need and Scope of the Study

While at national level poverty is declining, there are wide variation in the incidence of indicators of human development and poverty between urban and rural areas, amongst states and across different regions within a state. Rapid broad based and labour intensive growth and regionally balanced industrializations are imperative for reducing poverty and giving dignity and voice to the poor. The growth of agricultural sector which employs two-thirds of India's labour crucial for reducing rural poverty and raising living standards, ensuring food security and establishment in the domestic market for the industrial and service sector.

Reduction of incidence of poverty has always been the main thrust of planning in India. There are differences in the incidence of poverty and composition of the poor amongst Indian states. The incidence of poverty and the factors emphasized the continuation differs significantly from state to state, while there was a significant reduction in poverty. Capabilities of different states with economic growth and poverty reduction has been so concerned that it is been problematic to propose any general principal and policy prescription. Bihar shows tremendous changes during the recent years. There are the states that followed the path of high agricultural growth succeed in reducing poverty (Punjab and Haryana) and states that focused on human resource development and reduced poverty (Kerala). There have been states that implemented land reforms with vigour empowered the Panchayats, mobilized the poor and implement poverty alleviation programmes effectively.

Poverty is a complex phenomenon in its content and scope. It is both widespread and intensive and intrinsically related to socio-culture, socio-political and socio-economic factors. Generally, poverty means and inadequate level of consumption of individual and groups. Poverty as a matter of fact, is having insufficient food, clothing and shelter. Poverty amid plenty is the world's greatest challenge today.

The intention of this study is not to join the debate on the level of poverty reduction in the country but to recognize the reduction of poverty and generation in employment level in the country during the post economic reform era due to poverty

alleviation programmes. An attempt has been made to quantitatively check the performance of the employment generating programmes at state level and national level.

1.14 Objectives of the Study

The study has following objectives:

1. To study the importance of poverty alleviation programmes in growth and development of Indian Economy.
2. To study the impact of poverty alleviation programmes on rural employment generation.
3. To analyze the effectiveness of poverty alleviation programmes in the states of the country.
4. To evaluate the relation between fund allocation and employment generation in a particular programme.
5. To evaluate the comparative performance of poverty alleviation schemes.
6. To find out which programme has been proved to be the best amongst the various employment generation programmes, in terms of structure, execution and performance.
7. To study the problems and prospects of poverty alleviation programmes in India.

1.15 Research Questions

The following questions will be discussed in the present study –

1. What is the basic nature of poverty in India?
2. What is the difference between the characteristics of rural and urban poverty?
3. What could Government of India do for eradicating poverty?
4. What are the poverty alleviation programmes?
5. Are these poverty alleviation programmes helpful in employment generation?
6. Do the poor really get benefitted of these programmes?
7. What are major problems in the implementation of these programmes?

8. How could these poverty alleviation programmes be made more effective and inclusive?
9. What is the role of Self-help Groups and NGOs in poverty alleviation?
10. What are the main reasons behind the difference of poverty alleviation performance in different states?

1.16 Hypothesis of the Study

In the light of above mentioned objectives the following hypotheses are formed:

1. Various poverty alleviation programmes have contributed to the employment generation in India.
2. MGNREGA is better performing programme in current scenario.
3. The standard of living of the poor has also been enhanced by these programmes in the states of India.

1.17 Research Methodology

For analyzing the problem, secondary data is collected from the official website for various publications of the Government of India were used (such as- Planning Commission of India, Central Statistical Organization, India stat, Census of India, Economic and Political Weekly's various issues, National Sample Survey Organization, Yojana magazine, Kurukshetra magazine etc..). Some institutions, organizations, engaged in training and skill development were sighted to know their perception of the problem. The research tries to summaries the current situation about the poverty alleviation programmes and their impact on employment situation in India.

1.18 Research Design and Tools of Analysis

An attempt has been made to collect the secondary data regarding the poverty alleviation programmes in the post-reform period in India (i.e. the period after the year 1991). To make an analysis of the poverty alleviation programmes at the national and state level, we have used basically collected our data on active three employment generation programmes i.e. MGNREGA, SGSY and PMEGP programmes at national level as well as at state level. After the selection procedure of the programmes, the national level as well as regional level data of India was collected for each

programme. We chose five states (i.e. Bihar, Uttar Pradesh, Madhya Pradesh, Maharashtra and Gujarat) for regional level analysis. These states were selected on the basis of their per capita income and the availability of data. States with high per capita is Gujarat and Maharashtra and the states with low per capita income are Bihar, Uttar Pradesh and Madhya Pradesh. This comparison will help us to know the performance of the programmes in the low per capita states in comparison to high per capita states. A comparative study will be done amongst the states and amongst the schemes too. But while collecting our data we find the variation in time period of each programme. Thus, we have tried to analyze each programme from its inception to examine its performance during the distinct programme period and to observe the procedural changes throughout the period of that programme.

We have used two variables of each programmes separately, which are: fund utilized during the programme and employment generated during that particular period. Time series data has been collected. To find out the performance of poverty alleviation programmes in generating employment an attempt has been made through log linear regression analysis. The performance evaluation of the various poverty alleviation programmes has been examined.

1.19 Limitations of the Study

The present study is concerned with the impact of poverty alleviation programmes on employment generation in context of India. There are certain limitations in our research perspectives.

Our study covers a period according to the implementation of the programme. The years vary among the schemes according to their inception. The present analysis is based on the post-reform period. This period of study is chosen keeping in view that the poverty alleviation programmes of the post-reform period were target oriented with the objectives of poverty alleviation and employment generation. However, the comparative performance of the poverty alleviation schemes is being studied from their inception till date on the basis of availability of data. The period of their existence is enough to reflect the impact of poverty alleviation programmes on employment generation. Only active schemes are taken into consideration. The selection of the programme was aligned by keeping in the mind the major fact that

they were well-entrenched and had been in place for at least last five years, which seems as standard time to ascertain the long-term and sustainable performance.

Considering this, the final choice fell on three programmes - MGNREGA, SGSY, and PMEGP. Final selection of these programmes was also confirmed after the conversation with the office-personnel of Nirman Bhavan, Aligarh District of Uttar Pradesh. We have chosen two factors - fund utilization and employment generation as the variables of regression method study. Since the other factors are incongruent, they have been left as constants.

1.20 Organization of the Study

The thesis is presented into seven chapters.

The first chapter introduces the factors responsible for emergence of poverty alleviation programmes in brief. The need for the research study along with objectives and hypotheses and research methodology adopted to study the objectives, data analysis plan, framework adopted for impact analysis are discussed in this chapter. The second chapter deals with various research studies on different aspects of poverty and poverty alleviation programmes. Specifically the literatures have been reviewed to recognize the research gap. The third chapter deals with the different aspects of poverty alleviation programmes in India. The fourth chapter deals with the analysis of the performance of employment generation programmes at national level. The chapter compares the performance of MGNREGS, SGSY and PMEGP programmes. In addition to these, comparison has been studied to review the best programme that can bring changes to the prevailing situation. The fifth chapter dealt with the impact analyzes of the performance of MGNREGS, SGSY and PMEGP programmes in the five states of India. The chapter six discusses the different approaches adopted in the implementation of the programmes. The impact assessment of the poverty alleviation programmes on employment and poverty and changes in socio-economic conditions are also qualitatively analyzed in this chapter. Lastly chapter seven concludes as well as summarizes all the chapters and provides suggestions for having policy implications. The scope for further research is also discussed.

CHAPTER - TWO

REVIEW OF LITERATURE

In India, a number of studies have been conducted to quantify the extent of poverty and also to underline the change that took place in the incidence of poverty from pre-reform period to post-reform period. All the studies that contributed to depict vital factors of Indian Economy i.e. 'Poverty' and 'Employment' must be taken as the important case because these studies are continuously bringing in the information to make aware of the real impact on the economy. These studies are very important in filling the gap about what really exists in the economy and what changes occur after the past studies.

2.1 Expert Groups for Estimating Poverty and BPL Families

Poverty is a chronic social disease. Governments along with several civil societies have been functioning restlessly for coming out of this problem. Many economists have been working for a long period to eradicate it. For the cure of any problem, in priory, it is necessary to estimate the severity of that problem. For estimation so many ideas have been introduced. The economists/expert groups, who have estimated poverty through the Poverty Line Determination methods, are as follows: Harold H. Mann estimated in the year (1918 and 1948), H. F. Lydall (1955-56), P. S. Ojha (1960-61 and 1967-68), B. S. Minhas (1956-58, 1960-62, 1963-65, 1967-68, 1973-74 and 1980-81), V. M. Dandekar and N. Rath (1960-61), Pranab K. Bardhan (1960-61, 1964-65 and 1967-69), Vs. Vyas (1954-55 and 1960-61), Ashok Rudra (1960-61), A. Vaidyanathan (1960-61, 1964-65, and 1967-68), Montek S. Ahluwalia (1956-74 and 1977-78), Nikhilesh Bhattacharya, Dipankor Coondoo, Pradip Maiti and Robin Mukherjee (1964-74, 1977-78 and 1983-84), Bhaskar Dutta (1960-62, 1963-64, 1965-66, 1967-71 and 1973-74), D. S Tyagi (1970-71 and 1973-74), V. M. Dandekar (1960-61, 1971-73, 1977-78 and 1983), John W. Meilior and Gunvant M. Desai (1956-61, 1960-67, 1966-72, 1971-75 and 1974-78), L. R. Jain, K. Sundaram and S. D. Tendulkar (1960-61 and 1972-73), S. Mahendra Dev (1964-65, 1972-73, 1977-78 and 1983), S. Mahendra Dev, Kirit S. Parikh and M. H. Suryanarayana (1960-61 and 1986-87), Planning Commission (1973-74, 1977-78, 1983-84 and 1987-88), S.P. Gupta and K.L.Dutta (1960-62, 1963-71, 1972-74 and

1977-78), B. S. Minhas, L. R. Jain, S. M. Kansal and M. R. Saluja (1970-71, 1972-74 and 1977-78), B. S. Minhas, L. R. Jain (1970-71, 1983 and 1987-88), B. S. Minhas, L. R. Jain and S. D. Tendulkar (1970-71, 1983 and 1987-88), N. Kakwani and K. Subbarao (1972-74, 1977-78 and 1983), L. R. Jain and Suresh D. Tendulkar (1970-71 and 1983), Suresh D. Tendulkar and L. R. Jain (1970-71 and 1983), Suresh D. Tendulkar (1970-71 and 1983), L. R. Jain and Suresh D. Tendulkar (1970-71, 1972-74, 1977-78, 1983 and 1986-89), Report of the Expert Group on Estimation of Proportion and Number of the Poor, Planning Commission (1973-74), Tendulkar Committee (1993-94 and 2004-05) and the Committee on the Estimation of BPL household in Rural Areas, Ministry of Rural Development, Government of India (2004-05)¹

Reports presented by some of the prime-committees are discussed in detail, as follows:

2.1.1 V M Dandekar and Nilakantha Rath – (1971)

V M Dandekar and Nilakantha Rath, in their work "Poverty in India", used an average calorie norm of 2,250 calories per capita per day for both rural and urban areas, as a criterion to define the poverty line. On the basis of National Sample Survey data on consumer expenditure, the study revealed that, in rural areas, the households with an annual per capita expenditure of Rs. 170.80 (or equivalently Rs. 14.20 per capita per month) at the 1960–61 prices consumed on an average food with calorie equivalent of 2250 per capita per day together with such non-food items as they chose.

The corresponding figures in the urban area were Rs. 271.70 and Rs. 22.60 at 1960–61 prices. Comparing their studies with that of the 1962 Work Group Report, they revised the rural minimum upwards to Rs. 180 per annum or Rs. 15 per month. Similarly, they rounded-off the urban minimum to Rs. 270 per annum or Rs. 22.50 per month, both at 1960–61 prices. According to their estimate, about 40 percent of the rural population and 50 percent urban population lived below this poverty line in 1960–61.

1 Sinha, Ranjit. and Gaur, Keshav Dev (2011). Economic Liberalisation and Poverty. Sunrise Publication. New Delhi.

2.1.2 The Task Force - (1979)

The Planning Commission, in 1977, constituted a Task Force on ‘Projections of Minimum Needs and Effective Consumption Demand’ under Chairmanship of Prof. Y.K. Alagh. The Task Force (reported in 1979) defined the poverty line as monthly per capita consumption expenditure (MPCE) level of Rs.49.09 for rural areas and Rs.56.64 for urban areas at 1973-74 prices at national level. These corresponded to the money value of a basket of goods and services that would cover per capita daily calorie requirement of 2400 kcal in rural areas and 2100 kcal in urban areas, along with other non-food items such as clothing, footwear, education, health and transport, etc. in observed quantities in the basket corresponding to the recommended level of calories. These poverty lines were applied by Planning Commission uniformly across all the states. The Head Count Ratio for each State separately for urban and rural areas was computed by applying the defined poverty line to the “Adjusted” MPCE class wise population distribution of each State as obtained from NSSO Household Consumption Expenditure Survey of 1973-74. It was observed that the aggregate (for the country as a whole) private household consumption expenditure as obtained from NSS data was less than the aggregate private consumption expenditure estimated in the National Accounts Statistics (NAS). Therefore, the Task Force recommended upward adjustment of the expenditure level reported by the NSS uniformly across all expenditure classes by a factor equal to the ratio of the total private consumption expenditure obtained from the NAS to that obtained from the NSS. The ‘Adjustment’ had the effect of yielding lower poverty ratios than would have been obtained from the unadjusted NSS data.²

2.1.3 The Expert Group (Lakdawala Committee, 1993)

An Expert Group on ‘Estimation of Proportion and Number of Poor’ was constituted under the Chairmanship of Professor D.T. Lakdawala, former Deputy Chairman of Planning Commission, to look into the methodology for estimation of poverty and to re-define the poverty line, if necessary. The Expert Group submitted its report in 1993. The Expert Group recommended that the poverty line approach fixed in a calorie norm and associated with a fixed consumption basket (as recommended

2 Report of the Planning Commission. (Dec 2012). *Report of the Expert Group to Recommend the Detailed Methodology for Identification of Families Living Below Poverty Line in the Urban Areas.*

by the Task Force) might be continued. However, the Expert Group further recommended that the state – specific poverty lines be worked out. This was done in two steps. The first was to work out State-specific poverty line for the base year 1973-74 by taking the standardized commodity basket corresponding to the poverty line at the national level and valuing it at the prices prevailing in each state in the base year. The second step was updating the poverty line to reflect current prices in a given year by applying state-specific consumer price indices. Another important recommendation of the Expert Group was to abandon the pro-rata adjustment of NSS based total household consumption expenditure to NAS based total private consumption expenditure (The gap between the two had widened overtime). The Expert Group observed that it was better to rely exclusively on the NSS for estimating the poverty ratios. The Government of India accepted the recommendations of the Expert Group with minor modifications in 1997. The poverty estimates from 1973-74 to 2004-05 based on the methodology recommended by the Expert Group.³

2.1.4 Tendulkar Committee Report - (2009)

Tendulkar Committee headed by Prime Minister's advisor, Mr. Suresh Tendulkar, was set up in March, 2009 to look into the methodology of estimating poverty in India. Tendulkar Committee submitted its report in December, 2009 to the Planning Commission. In its findings, the committee has moved away from just calorie criterion definition to a broader definition of poverty that also includes expenditure on health, education and clothing in addition to food. Using this approach, new poverty line for the year 2004-05 has been raised from Rs. 356 per capita per month to Rs. 447 per capita per month in rural areas, and from Rs. 539 per capita per month to Rs. 579 per capita per month in urban areas. In daily terms, poverty line has been raised from Rs. 12 to Rs. 15 per capita per day in rural areas and from Rs. 18 per capita per day to Rs. 19 per capita per day in urban areas.

As per Tendulkar Committee Report, 37.2 percent of Indian population is living below poverty line using 'Uniform Recall Period Consumption' in the year 2004-05, against the official estimate of 27.5 percent. According to this report, 41.8 percent population in rural areas and 25.7 percent population in urban areas are living

3 Report of the Planning Commission. (Dec 2012). Report of the Expert Group to Recommend the Detailed Methodology for Identification of Families Living Below Poverty Line in the Urban Areas.

below poverty line. More than half of rural population of states like Orissa, Bihar, Madhya Pradesh, Jharkhand, Chhatisgarh is still living below poverty line i.e., they are not able to meet their basic necessities of life like food, clothing, health and education.

2.1.5 Saxena Committee Report – (2009)

Saxena Committee report reviews the methodology for conducting BPL census in rural areas. In 2009, an Expert Group headed by Dr. N.C. Saxena was constituted by the Ministry of Rural Development to recommend a suitable methodology for identification of BPL families in rural areas. The Committee has recommended *automatic exclusion* of some privileged sections and *automatic inclusion* of certain deprived and vulnerable sections of the society, and a survey for the remaining population to rank them on a scale of 10. Automatic Exclusion includes the households that fulfill any of the following conditions will not be surveyed for BPL census, such as: a) Families who own double the land of the district average of agricultural land per agricultural household if partially or wholly irrigated (three times if completely un-irrigated), b) Families that have three or four wheeled motorized vehicles, such as jeeps and SUVs, c) Families that have at least one mechanized farm equipment, such as tractors, power tillers, thrashers and harvesters, d) Families that have any person who is drawing a salary of over Rs. 10000 per month in a non-Government/ private organization or is employed in Government on a regular basis with pensionary or equivalent benefits, e) Income Tax Payers. Automatic Inclusion includes the following would be compulsory included in the BPL list, such as: a) Designated primitive tribal groups, b) Designated most discriminated against SC groups, called Maha Dalit groups, c) Single women-headed households, d) Households with a disabled person as breadwinner, e) Households headed by a minor, f) Destitute households which are dependent predominantly on alms for survival, g) Homeless households, h) Households that have a bonded labourer as member, Survey of the remaining rural households is to be conducted and scores given depending upon different socio-economic parameters recommended by the committee. The Ministry of Rural Development is in the process of conducting the pilot studies and Participatory Rural Appraisal exercises to modify the methodology.

2.1.6 S R Hashim Committee Report (2012)

Hashim Committee report is on the methodology for identification of BPL families in Urban Areas. The Ministry of Housing and Urban Poverty Alleviation (HUPA) is the nodal ministry for issue of guidelines to identify BPL families in urban areas. An Expert Group under the Chairmanship of Professor S.R. Hashim has been constituted by the Planning Commission to recommend the methodology for identification of BPL families in urban areas. The S.R. Hashim Committee report on urban poor has been put in the cold storage by the UPA government. The report, submitted in December 2012 set out the criteria by which the poor living in urban areas were to be identified for various government schemes, especially the National Food Security Act (NFSA), 2013. While the government has let the States to decide their own criteria for identifying beneficiaries for the NFSA and put an artificial cap on the numbers the Centre would provide subsidy for.

There are some of the National and International studies which have been reviewed here to make understand the different approaches by different economists. These are as follows:

2.2 Literature on Poverty Estimation and Alleviation Studies

The fact cannot be denied that the literature on poverty in India is vast. Many of the contributions or references to the contributions can be found in the following studies - Srinivasan and Bardhan (1974, 1988), Fields (1980), Tendulkar (1998), Deaton and Dreze (2002), Bhalla (2002) and Deaton and Kozel (2005).

Panagariya (2008) in his published book 'India: The Emerging Giant' delivers an inclusive action of the subject until the mid-2000s including the debates on whether or not poverty had declined in the post-reform era and whether or not reforms had been behind the acceleration in growth rates and the decline in poverty. Moreover, several of the contributions in Bhagwati and Panagariya (2012a, 2012b) analyze various aspects of poverty in India using the expenditures surveys up to 2004-05, in particular.

2.2.1 Literature on International Level Studies

Judith Tendler (1989)⁴ states that the failure of many programs directed toward alleviating poverty is better understood than the successes. This paper

4 Tendler, Judith (1989), "What ever happened to poverty alleviation?", World Development, Volume 17, Issue , July 1989, Pages 1033–1044.

identifies the behaviors that illustrate several better-performing programs funded by the Ford Foundation. These are those traits that are not commonly found in such programs. All focused narrowly on a particular trade or activity in the beginning; used credit as an entry point; started by brokering loans rather than lending directly; and had leadership linked to powerful institutions. Participants were already engaged in the economic activities supported by the programs; marketing channels existed; and powerful consumer groups were often in favor of production by beneficiary groups. Though these findings seem obvious, few programs funded by donors display these characteristics, suggesting that donors choose programs and organizations more carefully and not limit their funding to the nongovernmental sector.

Martin Ravallion (1991)⁵ specifies that with the limited set of policy instruments typically available in the rural sectors of developing countries, imperfect coverage of the poor and leakage of the non-poor must be expected from even the most well-intentioned poverty alleviation schemes. The author suggests that to build incentives for self-selection into the schemes for better participation and inclusion of the targeted poor. The study underlines that projects of labor-intensive rural public works have the potential to reach and protect the poor, as well as to create and maintain rural infrastructure. In the study the limited evidence for South Asia suggests that the details of how projects are selected, designed, and financed are crucial for success in both the short and the long run.

J. Bala Komaraiah (2005)⁶ comments that the performance of the social sectors must be improved. The measures are classified for alleviating poverty broadly into four groups.

- (1) Those affecting the demand for work.
- (2) Those affecting training in labour skills.
- (3) Those affecting changes in the social system.
- (4) Those affecting the distribution of assets and income.

5 Ravallion, Martin (1991), "Reaching the rural poor through public employment: arguments, evidence, and lessons from South Asia", *World Bank Res Obs* (1991) 6 (2):153-175.

6 Komaraiah, J.Bala (ed., 2005), "*Poverty and its Reduction Strategies in India*" : Misra, S.N., "Poverty and its Alleviation", Deep and Deep Publication, New Delhi.

In the author's opinion, the Government should pay special attention to the basic needs of the poorer society and encourage good labour-intensive technologies. Micro-level planning is needed for the success of anti-poverty programmes. Politically, the poor must be empowered. Concerted efforts are needed to eradicate the worst forms of poverty in South Asia. Creation of employment opportunities is the effective way to eradicate the poverty. If we want to achieve full employment at the end of the decade, then 10 million jobs should be created every year. Most of these can be created in agro-based industries, constructions and services and through the self-employment.

Martin Ravallion (2008)⁷ discusses the methodology underlying the World Bank's recent revised estimates of poverty and then analyses the Indian numbers. This emphasizes the summarization of the findings and discusses how India fares in this global picture of poverty. It was accounted for in 2005; one in three of the people in the world who consumed less than \$1.25 a day (at 2005 purchasing power parity) lived in India- more than that of any other country, about 40 percent of India's population had been found below the line. However, the situation before 25 years was found even more pitiable; 60 percent of India's population lived below the same real line. While, this shows a clear progress, India's long term pace of poverty reduction by this measure is no more than average for the developing world, excluding China.

In the editorial (2008)⁸ of the EPW, the author questions about the reliability of the World Bank's widely cited estimates of global poverty. The World Bank has so far come up with the three sets of global poverty estimates, all of these are based upon head-count ratios of the population living below the poverty lines specified in the money metric. Sanjay Reddy (an economist) and Thomas Pogge (a philosopher) among others have had a number of compelling criticisms to offer which have been inadequately addressed by the World Bank's researchers. Trends analysis of global poverty estimates predicted on inconsistency are essential uninterrupted: the difficulty arises from failure to employ any meaningfully common standard of poverty comparison. It turns out that the lower the poverty line employed, the more

7. Ravallion Martin (2008), "A Global Perspective on Poverty in India", *Economic and Political Weekly*, Oct 25-Oct 31-2008, Vol. 43, No. 43, pp. 31-37.

8. Editorial (2008), "How Many Poor in the World?", *Economic and Political Weekly*, Oct 25- Oct 31-2008, Vol. 43, No. 43, pp. 5-6.

flattering is the resulting trend decline in poverty. This suggests that the trends they obtain are not so much a reflection of what is actually happening to poverty on the ground, as a verification of the consistency of arithmetic. They claim that the World Bank's latest estimation of the extent of global poverty "presents a crisis of credibility".

Sanjay G. Reddy (2008)⁹ comments that the 'UPDATED' estimation of global poverty by the World Bank does not address the basic problems with the past and current estimates, which is the lack of the clear criterion for identifying the poor. There is no basis to conclude that the new set of purchasing power parity rates employed to generate the new poverty estimates are closer to the truth. The only idea that could be concluded is that they are differently distorted than the earlier ones. There is, however, a feasible alternative method that would place at its core an identification criterion for the poor based on elementary human capabilities. The careful coordination of household surveys and poverty line construction across countries so as to capture whether individual have the resources necessary to achieve these capabilities can ensure enduring comparability of poverty estimates overtime and spaces.

Martin Ravallion (2008)¹⁰ comments to the editorial page of Economic and Political Weekly journal of 25 October 2008 which criticized World Bank methodology for estimating the number of poor in the world. This response aims to refute the four major arguments made in the editorial section. Some sorts of protection have been made on the measurement of poverty. In this paper, works of World Bank have been praised while it was criticized in the former.

Himanshu (2008)¹¹ focuses on the World Bank's recent estimates of poverty in the developing world, which have led to an upward revision of the numbers of poor in the world by 400 million. These adjustments are made on the basis of the revision in purchasing power parity estimates as part of the International Comparison Program (ICP) exercise. Using the same ICP exercise, the Asian Development Bank, claims on

9 Reddy Sanjay G.(2008), "Differently Distorted: The World Bank's 'UPDATED' Poverty Estimation", *Economic and Political Weekly*, Oct 25- Oct 31, Vol. 43, No. 43, pp. 44-47.

10 Ravallion Martin (2008), "How Many Poor in the World? A Reply" *Economic and Political Weekly*, Nov 08- Nov 14-2008, Vol. 43, No. 45, pp. 78-79.

11 Himanshu (2008), "What are these New Poverty Estimates and What Do They Imply", *Economic and Political Weekly*, Oct 25- Oct 31, Vol. 43, No. 43, pp. 38-43.

even higher estimates of the poor in Asia. A proper examination of the underlying database and the methodology for estimating poverty across countries suggests that though these estimates are better than the earlier ones, the assumptions behind the adjustments and the quality of the data obtained from the ICP limit the usefulness of such an exercise for cross country poverty comparison. For India both these estimates suggest severe underestimation in the official numbers on poverty. There are some issues that need certain resolution, such as: defining the cost of basic needs, the relevance of calorie norms, the choice of price deflators for inter-temporal comparisons etc. and they also remained to be resolved in the international context as well.

Besma Belhadj (2009)¹² proposes to use an Information Theory approach to design uni-dimensional fuzzy poverty index. The fuzzy set approach requires two additional aspects: firstly, the choice of membership functions and secondly, the choice of rules for the manipulation of the resulting fuzzy sets. In this paper, two things are identified, first, to what extent households can be considered as poor or non-poor using a membership function and a bootstrap confidence interval of poverty line, and second, we construct fuzzy set unions to derive a global poverty. A relative entropy measure, finally, is adopted to assess an aggregation method of fuzzy individual poverty. The methodology proposed here is illustrated by means of the Tunisia case.

2.2.2 Literature on National Level Studies

Sandeep Bagchee (1987)¹³ attempts to review the poverty alleviation programmes in the rural sector in the light of the experience of their implementation in the sixth five year plan. The viewpoint tends towards the implemented programmes that suffer primarily from the lack of concept clarity and an inadequate understanding of the complex nature of the environment in which they have to be implemented. The article suggests some modifications in the structure and execution process of the programmes for making them adjustable with the situations and environment of their implementation.

12 Belhadj, Besma (2009), "Use of Bootstrap for a Fuzzy Measure of Poverty: A New Poverty Index", *Journal of Quantitative Economics*, Volume 7, Number 02, July 2009.

13 Bagchee, Sandeep (1987), "Poverty Alleviation Programmes in Seventh Plan: An Appraisal", *Economic and Political Weekly*, Volume 22, Number 04, Jan 24, 1987.

Jean Dreze (1990)¹⁴, in his article, presents evidence on the performance of the Integrated Rural Development Programme. The author indicates that the programme effectiveness has been questioned since its inception, whether the programme benefits the poor or not. Some suggestions are provided to make the programme activity compatible with the surroundings of the poor people and the alternative avenues of action have also been discussed.

James W Fox (2002)¹⁵ prepared a technical report on the experience of India since 1974. In this report, he reviews and analyzes the experience of India since 1974 on some major factors like- poverty reduction, identification of trend factors, and examination of the quality of poverty trends in India. The major emphasis was laid on poverty measurement. The surveys in India are considered of high quality for a developing country. They have been carried out for a long enough time and managerial and logistical problems that typically plague such work. Even so, poverty measurement raises numerous challenges and presents many doubts. It seems clear that measuring poverty overtime is difficult and poverty measurement may be too inaccurate for it to be used to link poverty outcomes closely to Governmental initiatives or policies in the short or medium term. These issues of data quality imply that more attention should be paid to long-term trends than to the results of individual surveys. The report seems to present poverty trends during the period studied, as described by official statistics; report expert's conclusions on the reasons behind the trends; examine state-by-state analysis for insights into the determinants of poverty reduction; ask whether the quality of India's poverty data is sufficient to build confidence that the data reflect underlying conditions; and discuss controversies over data quality.

Snehlata Srivastava (2005)¹⁶ sums up the basic objective of the 10th Five Year Plan (from 2002 to 2007) which aims at poverty reduction and high quality employment generation by creating basic social and economic infrastructure, training to the rural unemployed youth and providing employment to marginal

14 Dreze, Jean (1990), "Poverty in India and the IRDP Delusion", *Economic and Political Weekly*, Volume 25, Number 39, September 29, 1990.

15 Fox, James W (2002), "Poverty in India since 1974, A Country Case Study", *Technical Reports*, Nathan Associates Inc., 29-Nov-2002.

16 Srivastava, Snehlata (ed., 2005) "*Poverty in India*": Misra, S.N., "Poverty and its Alleviation", Deep and Deep Publication, New Delhi.

farmers/labourers, to discourage seasonal and permanent migration to urban areas. The thought behind this stated that poverty still exists due to several factors like inequality, unemployment, lack of management etc. Further, the discussion is over various employment schemes and poverty reduction schemes in India.

Anil Kumar Choudhury (2005)¹⁷ emphasizes on the general aspects of the economy like - growth, employment, food security, inequality and poverty which are highly interdependent on each other. Further, the statement is made on the deprivation of 'development capabilities' is the source of all types of poverty. Failure of trickle-down effect has also contributed to the persistence of poverty, even when economic growth is supposed to have taken place. It is emphasized that previous experiences of the poverty alleviation programmes need to play heavy reliance on employment generation and not merely on income growth. Increased public spending on human development is more likely to have a greater impact on poverty reduction and at the same time on the improvement of human capital.

Ray, Ranjan and Lancaster, Geoffrey (2005)¹⁸ specify the Poverty Line during the reform period. The study delivers the indication based on estimated nutrient prices and a 'balanced diet' that shows the distance of the official poverty lines that have decreased with their 'true' measures. The paper contains the strong evidence of the socially disadvantaged groups which suggests that the poverty situation in India is worse than that revealed in official poverty statistics. Further, they yield a methodological contribution by proposing an expenditure-based poverty line using the household specific estimated nutrient prices, those assistances as a compromise between the official poverty line and that is specified directly in terms of calories. The suggested poverty line has the advantage of integrating inter household variation in food preferences due to regional, class, caste and other non-demographic factors that the official poverty line does not take under consideration. The study favors the inferior poverty status on both poverty measures of the socially disadvantages groups

17 Choudhury, Anil Kumar (ed., 2005) "*Human Development and Poverty*" : Mishra, S.N., "Poverty and its Alleviation", Deep and Deep Publication, New Delhi

18 Ray, Ranjan and Lancaster, Geoffrey (2005), "On Setting the Poverty Line Based on Estimated Nutrient Prices-Condition of Socially Disadvantaged Groups during the Reform Period", *Economic and Political Weekly*, Jan 01-jan 07, Vol. 40, No. 01, pp. 46-56.

and the others. This paper analyzed those points which are useful for the public distribution system in the anti-poverty programme for the backward classes.

V. Ambermani and T. Lingamurugeshwari (2005)¹⁹ point out that there is declining trend in the poverty ratio, but it is still highly unpleasant and painful to accept the fact that more than 26 crores of the population are living BPL. Further, it has been stated that the poverty eradication remains a challenge today. Poverty remains and increases day by day due to number of reasons like over population, low per capita income, lack of infrastructure and industrial growth, natural calamities, poor transportation facilities, corruption, unemployment and failure of public schemes like IRDP, JRY, TRYSEM, PMRY and Rajiv Vikas Yojana. The focus is made on a point that corruption, lack of awareness, and undesirable tendencies of both organizers and users are playing a crucial role in increasing poverty and failure of various ongoing anti-poverty programmes. The Government has been suggested that strong measures must be taken up to alleviate the dreadful disease poverty from our nation. For the elimination of failure of the programmes, special development council should be set up, in which majority representation should be given to the small and marginal farmers, the artisans and landless labourers. The present nexus between the bureaucrats and landlord capitalists and politicians can be broken only by creation of people's development councils, it is only then a poverty eradication programmes has a chance of success.

S. Subramanian (2005)²⁰ examines about the dissatisfaction that has been growing gradually with the conceptual basis of India's official poverty statistics, where the Planning Commission has sought to address the '*identification*' problem in poverty measurement. The author finds that the procedure for measuring poverty is still biased and faulty and he makes an effort through his paper to identify, within analytical framework of elementary demand theory, the source of the conceptual disorder, and to indicate how seriously misleading it could be to continue to employ the official methodology (or variants thereof) in assessments of income poverty in

19 Ambermani, V. and Lingamurugeshwari T. (ed., 2005) "*Poverty Alleviation Measures in India*", : Misra, S.N., "Poverty and its Alleviation", Deep and Deep Publication, New Delhi.

20 Subramaniam, S. (2005), "Unravelling a Conceptual Muddle- India's Poverty Statistics in the Light of Basic Demand Theory", *Economic and Political Weekly*, Jan 01-Jan 07, Vol. 40, No. 01, pp. 57-66.

India. The paper tries to point-out the methodology for poverty estimation through the Basic Demand Theory.

K.N. Yadav (2005)²¹ reveals that the rural poverty has constantly been reduced during the pre-reform period 1973-74 to 1980-90 and increased significantly during the first two and half years of reforms 1991-92, 1992-93 and 1993-94. During this period rural poverty increased by two percentage point while urban poverty declined by four percent point. Further added to this, about the programmes which India had launched to eliminate poverty and provide employment to targeted poor. He focuses on IRDP, JRY, TRYSEM, IAY, MWS, and EAS which are few among the series of poverty alleviation programs.

Sukhpal Singh (2005)²² defines poverty alleviation as the eradication of absolute poverty and the reduction of relative poverty. Furthermore, this paper examines the trends in rural poverty. The author points-out that in the case of targeted poverty alleviation programmes ranging from wage/self, employment, food and nutrition programs land reforms, there had been exclusion and inclusion errors in targeting. He states that it is needed to examine the issue of revolution of rural institutions and their consequences for the poor and the environment. In fact, the same institutions could have dramatically different impacts on poverty and the environment depending on the adjustment mechanism followed. However, it is important to realize that poverty itself becomes a barrier to economic growth in terms of limited markets for the private sector products and services. Therefore, with enlightened self-interest, the private sector should strive to reduce poverty.

Amitabh Kundu and Niranjana Sarangi (2005)²³ discuss about urban society which is suffering from ignorance by the employment scheme. It has been excluded from the scope of guarantee schemes because of bad socio-economic condition in small and medium villages and towns. The increasing unemployment affects their demographic growth as it enhances biases in the urban hierarchy. They are not concerned with the poverty situation in the lower categories of urban areas. They

21 Yadav, K.N. (ed., 2005) "*Rural Poverty Alleviation Programmes*" : Misra, S.N., "Poverty and its Alleviation", Deep and Deep Publication, New Delhi.

22 Singh, Sukhpal (ed., 2005), "*Rural Poverty, Globalization and Structural Adjustment in India*" : Misra, S.N., "Poverty and its Alleviation", Deep and Deep Publication, New Delhi.

23 Kundu, Amitabh and Sarangi, Niranjana (2005), "Issue of Urban Exclusion", *Economic and Political Weekly*, Aug 13-Aug 19, Vol. 40, No. 33, pp 3642-3646.

analyze that these educated unemployed people will not be agree to work on the activities related to earth work and land development instead they would like to work on non-manual jobs to utilize their knowledge.

John (et.al. 2005)²⁴ use quantitative study in their research paper to know the variations in the level of poverty among different religious groups both within and across the states in India. They divide total population religion-wise in the group and make their study; with the monthly per capita expenditure of those religious groups a very large variation is noted in the consumption and poverty level in rural and urban India. The paper examines the prevalence, depth and severity of poverty found to be the highest among the 'Others' in rural India and among 'Muslims' in urban India and suggests that immediate changes should be formulated and implemented through inclusive policies.

B. H. Nagoor (2005)²⁵ deals with the issues and challenges of the poverty alleviation programmes. He states that one of every three persons in India is officially poor and two of three are malnourished or undernourished. Policy decision makers in the Government have to take more initiatives to tackle the persisting problem of poverty. Poverty cannot be eradicated quickly instead chronic poverty can be reduced and eliminated by sustained public policy implementations. It is widely accepted that the short-term strategies of poverty alleviation i.e. anti-poverty programmes are not enough to reduce poverty at once but it has to go in the long term strategy i.e. growth, especially agriculture growth is very much necessary as majority of the poor are in agricultural sector.

Ratan Lal Basu (2005)²⁶ outlines the shortcomings of the existing policies of poverty alleviation programmes pursued in India and proposes some suggestions to overcome from the faults appeared in these programmes. He briefly states the vast body of literature as whether magnitude of absolute poverty in India is alarming; the ultimate objective of all discussions and analyses is to find out some effective

24 John, Rijo M. and Mutatkar, Rohit (2005), "State wise Estimates of Poverty among Religious Groups in India", *Economic and Political Weekly*, march 26- April 01, Vol. 40, No. 13, pp. 1337-1345.

25 Nagoor, B.H. (ed., 2005) "*Poverty Alleviation: Issues and Challenges*", : Misra, S.N., "Poverty and its Alleviation", Deep and Deep Publication, New Delhi.

26 Basu, Ratan Lal (ed., 2005) "*Poverty Removal in India – A New Approach*": Misra, S.N., "Poverty and its Alleviation", Deep and Deep Publication, New Delhi.

measures for the removal of poverty; growth and direct Government intervention are complementary but not competitive ways for removal of poverty; in a country like India sustainable poverty removal measures should be associated with increase in employment – most of the special poverty removal programs in India are based on employment generation. In this paper the author tries to point-out that the craft industry in India can play an important role in alleviating poverty by generating adequate employment opportunities. Considering the performance of the existing Government agencies so far, author doesn't place much reliance on them in this regard.

Dilip Kumar Ghosh (2005)²⁷ talks about the poverty in the SC and ST communities of the rural areas. The present study is developed to furnish the characteristics of poverty among SCs and STs and to discuss the programmes undertaken to alleviate poverty among these groups. Only rural areas are considered because more than seventy-two percent of the population lives in villages. The study is divided into two sections. Firstly, the characteristics of poverty among these two social groups are discussed on the basis of some relevant indicators comprising their monthly per capita consumption expenditure, value of assets owned by them, education and health sector etc. Secondly, the share of SCs and STs in different poverty alleviation programmes undertaken since Sixth Five Year Plan and administered by Ministry of Rural Development, Government of India. The poverty characteristics identified in this study show that the deprivation among SCs and STs starts from their assetlessness, but it is like a vicious cycle where all poverty symptoms like low income, illiteracy, ill-health, inadequate food intake, under-nourishment, etc. act together to keep them poor.

Rajendra Kumar and P.J. Philip (2005)²⁸ state that there are many poverty alleviation programmes which generate employment for the poor society. These programmes help the poorer section to upgrade the whole society by making them employed for certain period and to generate skills for their work in future. The poverty alleviation programmes will be more effective by better targeting, reducing

27 Ghosh, Dilip Kumar, (ed., 2005) "*SC and ST: Poverty and Poverty Alleviation*" : Misra, S.N., "Poverty and its Alleviation", Deep and Deep Publication, New Delhi.

28 Kumar, Rajendra and Philip, P.J. (ed., 2005) "*Poverty Alleviation Programs in India*" : Misra, S.N., "Poverty and its Alleviation", Deep and Deep Publication, New Delhi.

waste and corruption, making the programmes more meaningful in terms of relevance to local needs and priorities and creating institutional conditions for greater accountability.

Satish Shrivastav (2005)²⁹ describes that there has been declination in poverty ratio. The success of anti-poverty programmes will depend upon the delivery mechanism, and only if transparent and integrated mechanism is evolved coupled with honest efforts. The benefits of the various schemes will trickled-down to the destitute and BPL families. If this happens, the expected targets of poverty reduction may be achieved during the Tenth Plan period.

P.N. Sharma (2005)³⁰ shows various programmes to alleviate poverty. He further deals with the reforms which are undertaken to reduce poverty and finally, sums up with the future strategy to reduce poverty, where various policies and Government strategies for development have been discussed. The author Indicates that the poverty alleviation programmes have a chance of success only when the nexus between corrupt bureaucrats, politicians and village landlords is broken and real beneficiaries are put in charge of these programmes.

Mihir Shah (2005)³¹, dealing with employment guarantee act states that the 2004 employment guarantee bill needs to be modified if its objective is to be realized. There are so many critics and supporters too of this programme whether they should be able to reach a compromise on the identification of beneficiaries, coverage and wage rates. The author apprehends that if the bill, in its present form, is passed by the parliament, this cure could be worse than the disease because still there are many deficiencies in this programme, as only those BPL (below the poverty line) families are considered which have a house or are familiar of the programme, but those BPL families which had migrated or have no house are not considered official BPL families. There are such more limitations in the programme. The author suggests that mending the loopholes of the programme structure is necessary before implementing the programme.

29 Shrivastav, Satish (ed., 2005) *"Poverty Alleviation Programs: Their Impact"* : Misra, S.N., "Poverty and its Alleviation", Deep and Deep Publication, New Delhi.

30 Sharma, P.N. (ed., 2005), *"Poverty Alleviation Programmes and Poverty Reduction"*, : Misra, S.N., "Poverty and its Alleviation", Deep and Deep Publication, New Delhi.

31 Shah, Mihir (2005), 'Saving the Employment Guarantee Act', *Economics and Political Weekly*, Feb12-Feb18, 2005, Vol-40, No. 07, Pp. 599-602.

Navin Kumar (2005)³² presents a brief discussion on several specific employment generation programmes and suggests some points to wipe-out the situation of poverty from the country and to implement employment-oriented growth strategy. He agrees that the economic growth creates the opportunities of employment, so he suggests utilizing the resources in adequate manner to generate more employment.

Sanjay G. Reddy (2007)³³ forwards his views on estimation of an authentic poverty line. He describes various measures and modes to estimate poverty in India. There is difference between the estimation of poverty in present period than that which is defined by NSS report in India. The author states that desired multiple poverty lines can be constructed to reflect more and less expansive conceptions of the relevant elementary capabilities. It is important to note that the 1993 expert group established its original poverty lines on the basis of traditional 30-days recall period. Different periodic definitions and the views were taken for a debate. Those measurements were taken for estimating poverty.

S Mahendra Dev and C Ravi (2007)³⁴ conclude from their estimation that the extent of decline in poverty in the post-reform period (1993-2005) has not been higher than that in the pre-reform period (1983-1993), in spite of higher overall growth with published data available from the 61st round (2004-05) of the National Sample Survey. Along with this, another conclusion is made that inequality has increased significantly in the post-reform period and seems to have slowed down the rate of poverty reduction. Using the Uniform Reference Period data on consumer expenditure changes looked in the pre-reform (1983-94) and post-reform (1993-2005) periods and by using Mixed Reference Period data changes were examined in two sub periods (1993-2000 and 1999-2005).

G.C. Manna (2007)³⁵ examines critically the practice that is being followed for measuring poverty so far. The study analyzes the issue of appropriateness of using the

32 Kumar, Navin., (ed., 2005) “*Employment Generation and Poverty*” : Misra, S.N., “Poverty and its Alleviation”, Deep and Deep Publication, New Delhi.

33 Reddy, Sanjay G. (2007), ‘Poverty Estimates: How Great is the Debate?’ *Economics and Political Weekly*, Feb10-Feb16, Vol-42, No. 06, Pp. 491-496.

34 Dev, S. Mahendra and Ravi, C. (2007) “Poverty and Inequality: All – India and States, 1983–2005”, *Economics and Political Weekly*, Feb10- 2007, Vol. 42, No. 06, pp. 509-521.

35 Manna, G.C. (2007), “On Calibrating the Poverty Line For Poverty Estimation in India”, *Economic and Political Weekly*, July 28 – Aug 03, Vol. 42, No. 30, pp. 3108-3115.

NSS 28th Round data for setting the official base year poverty line and also examines how the base year poverty lines would differ if NSS 27th Round data were used for setting the official base year poverty line instead. The paper also brings out the fact that the rural-urban differences made on calorie intake are very unrealistic and unwarranted among the total populations.

Himanshu (2007)³⁶ compares 61st Round of National Sample Survey (NSS) to other previous surveys. Preliminary estimates from the published reports of the 61st round of NSS suggest that while poverty did reduce during 1993-2005, the annual rate of reduction in this period was lower than those in the 1970s and 1980s. More importantly, the bulk of this decline occur in 1999-2005, while little or no reduction in poverty was seen in 1993-2000, conforming the earlier consensus that the 1990s was indeed the lost decade for poverty reduction. Although, the analysis is not conclusive, the fall in the relative price of food and the regional pattern of changes in employment and wages appear to underlie these trends. These results need to be explored in greater detail as and when the unit level data for 2004-05 become available. The paper also flags certain issues related to the poverty line, which needs to be settled once and for all. Finally, it is concluded that the period after 1999-2000 does not show any improvement in poverty reduction as it had shown earlier. The only message that emerges loud and clear is that the variable which matters most for measured poverty reduction is the relative price of food.

Pinaki Chakraborty (2007)³⁷ focuses on the National Rural Employment Guarantee Scheme (which is after, renamed as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA)) which has, so far, posed no problem for the budget. Its allocation is only marginally higher than what was spent in the past by the Government on various rural employment programmes. It is a demand driven scheme and it has fallen far short of meeting demand in some states. The fund utilization ratio also varies widely across states. Taken for a year it was analyzed that only half of the total available funds were utilized during the given year. The utilization ratio is particularly lower in poorer states.

36 Himanshu (2007), "Recent Trends in Poverty And Inequality: Some Preliminary Results" *Economics and Political Weekly*, Feb10-Feb16, 2007, Vol. 42, No. 06, Pp. 497-508.

37 Chakraborty, Pinaki (2007)," Implementation of Employment Generation: A Preliminary Appraisal", *Economics and Political Weekly*, Vol-42, No.-17, Feb17-Feb23, 2007, Pp.548-553.

Yesudian, C.A.K. (2007)³⁸ states that involvement of the local societies is the basic key to success of Poverty Alleviation Programmes. In the absence of these societies involvement, the programmes are plagued with bureaucratic muddle and corruption at every level. Wage employment is an example to show how too much of administrative interference has led to underutilization of funds, high administrative cost, corruption and poor employment generation. Contrary to the wage-employment programme, self-employment programmes like microcredit is successful because of people's participation in the form of SHGs.

Siddhartha and Anish Vanaik (2008)³⁹ comment on a draft report of the Controller and Auditor General (CAG) prepared on recent implemented employment programme i.e. Mahatma Gandhi National Rural Employment Act (MNREGA). This programme was criticized on every ground by media and other informative departments. The paper covers the part of the findings reported by CAG of MNREGA. The investigation and the lacking of the findings by the CAG is been focused here - where this report has been fallen short in its investigations and how the report influences to improve the functioning of MNREGA.

Sangeeta Chhabra and G.L. Sharma (2008)⁴⁰ forward their views on the National Rural Employment Guarantee Scheme and propagate that poverty in India has been one of the persisting problem since a long time. They quote Shri Lal Bahadur Shashtri - "Of all the problems facing us, none is more distressing than that of poverty in which tens of millions of our countrymen continue to live." The paper states that the National Rural Employment Guarantee Scheme was enacted in 2005 and is landmark legislation in India history of social security legislation after Independence. This legislation is a partial victory towards a full-fledged right to employment in any developing country context. The essential feature of this legislation which separates it from any other public service provisioning scheme is its enactment through parliament of India. A well implemented National Rural Employment Guarantee Scheme could potentially herald a revolution in rural

38 Yesudian, C.A.K. (2007), "Poverty Alleviation Programmes in India: A Social Audit", *India J Med Res* 126, Tata Institute of Social Sciences, Mumbai, India, October 2007, pp. 364-373.

39 Siddhartha and Vanaik, Anish (2008), "CAG Report on NREGA-Fact and Fiction", *Economic and Political Weekly*, June 21- June 27, Vol. 43, No. 25, pp. 39-45.

40 Chhabra, Sangeeta and Sharma, G.L. (2008), "National Rural Employment Guarantee Scheme: Realities and Challenges", *Indian Journals*, Pp. 64-72.

governance and results in a substantial reduction in rural poverty. The authors focus all their views on how to eradicate poverty through poverty alleviation programmes and generate more employment to the people.

Pramathesh Ambasta, P S Vijay Shankar and Mihir Shah (2008)⁴¹ state that it is not possible to realize the massive potential of the National Rural Employment Guarantee Act (NREGA) if we deploy the same ossified structure of implementation that has deeply institutionalized corruption, inefficiency and non-accountability into the very fabric of Indian Democracy. On the other hand, if the reforms suggested in the paper are put into place, NREGA holds out the prospect of transforming the livelihoods of the poorest and heralding a revolution in rural governance in India. The paper ranks NREGA among the most powerful initiatives ever undertaken for transformation of rural livelihoods in India.

K.L. Datta (2008)⁴² significantly provides his views on examining the estimation of poverty reduction between 2004-05 and 2005-06. The sample data from the 62nd Round of the National Sample Survey (NSS) has been used for estimating the head count ratio of poverty for 2005-06. There is a comparison based on the methodology recommended for the estimation of poverty by the 1993 Planning Commission expert group, which is compared with the poverty ratio for 2004-05 and is derived from the 61st Round of the NSS. The paper criticizes the poverty estimation system that still is prevailing in the country.

S. Mahendra Dev and C. Ravi (2008)⁴³ pay attention to the estimation of poverty and comment with one of the criticism of the official poverty line that it does not capture the cost of basic necessities, particularly non-food components such as health and education. This issue rises due to an increase in household private expenditure on education and health services in the recent years. In this paper the estimation on poverty studies at all-India as well as state level for 2004-05 with the

41 Ambasta, Pramathesh; Shankar; P. S. Vijay and Shah Mihir (2008), "Two Years of NREGA, The Road Ahead", *Economics and Political Weekly*, Feb 23- Feb29-2008, Vol. 43, No. 08, Pp. 41-50.

42 Datta, K.L. (2008), "An Estimation of Poverty Reduction between 2004-05 and 2005-06", *Economic and Political Weekly*, Nov. 22-nov 28, Vol. 43, No. 47, pp. 61-67.

43 Dev S.Mahendra and Ravi C (2008), "Revising Estimates of Poverty", *Economic and Political Weekly*, mar 08- mar 14, Vol. 43, No. 10, pp. 08-10.

minimum private expenditure on health and education. Estimated poverty ratio is found higher than that of the official poverty ratio.

Angus Deaton (2008)⁴⁴ states that National Sample Survey data on the unit values of a large number of foods can be used to compute price index numbers that can be compared with the official national price indices, the Consumer Price Index for Agricultural Labourers (CPIAL) for Rural India and the Consumer Price Index for Industrial Workers (CPIIW) of Urban India. This paper finds that over the five years from 1999-2000 to 2004-05; the food component of the CPIAL understated the rate of food price inflation. This understatement can be attributed to the use of long outdated weights (from 1983), and the resultant over-weighting of cereals, whose price fell relative to other foods. The overall weight of food in the CPIAL is too large, so that the growth in the general CPIAL was understated during this period when food prices fell relative to non-food prices. Under conservative assumption the paper calculates that the five year growth in the reported CPIAL of 10.6 percent should have been 14.3 percent. The nominal poverty lines are also understated as a result and ignoring other problems with the counts, the official poverty ratio of 28.3 percent for rural India in 2004-05 should be closer to 31 percent at current rates of rural poverty reduction, this eliminates more than three years of progress.

Kripa Shankar (2008)⁴⁵, in his article, comments on prevailing condition in India that exists since pre-Independence period. The author finds out that the thinking ability of the people was persisting from that period. The main focus was made on the difference between rich and poor. This point was defined in several ways in the article. The paper underlines the fact that the anti-poverty scheme, which has been made for poor ones, are so designed that a larger part of benefits taken by non-poor and the undeserving people. The people at the bottom are still undernourished and near-starvation condition, despite of having so many Poverty Alleviation Programmes and Food-Provision Programmes.

44 Deaton, Angus (2008), "Price Trends In India And Their Implications For Measuring Poverty", *Economics and Political Weekly*, Feb. 09- Feb. 15, Vol. 43, No. 06, Pp. 43-50.

45 Shankar, Kripa (2008), "Starving India", *Economic and Political Weekly*, July 26 – Aug 01, Vol. 43, No. 30, pp. 32-33.

Himanshu (2010)⁴⁶ states that the result of an exercise prepared for the Planning Commission's Expert Group to Review the Methodology for Estimation of Poverty to draw up new poverty lines and correspondingly new poverty estimates are based on the National Sample Survey consumption data. In the paper he discusses present official poverty lines and counts the bulk of criticism against these. Further he tries to give suggestions regarding new poverty lines and the estimation of poverty along with the methodology that can be used. He considers that the new poverty line can be normatively evaluated with respect to actual expenditure on food and on health and education near these poverty lines. The paper concludes with some more suggestions on how these new poverty lines could be made forward and backward overtime.

Nidhi Dhamija and Shashanka Bhide (2010)⁴⁷ examine the incidence and dynamics of poverty over a period of three decades from 1970 to the end of the 1990s. A National Rural Panel Household data set is used, based on household surveys conducted by National Council of Applied Economic Research in three rounds in 1970, 1981 and 1998. It examines the trends in the incidence of poverty in India from a longitudinal perspective. The study corroborates the views that the period of 1990s experienced a slower decline in poverty compared to the previous decade, although the incidence of chronic poverty decline even in the latter period. It also examines the pattern of growth in consumption expenditure to understand how it tracks trends in poverty. The movement of the household into and out of the poverty can be captured through a transition mix of such movements. Thus the first period led to more equitable distribution of consumption. Accordingly, economic growth alone therefore has not been adequate to ensure faster poverty and inequality reduction during this period.

Anindita Adhikari and Kartika Bhatia (2010)⁴⁸ question about the payment of wages through banks to the account of MNREGA workers. The Government of India has switched the payment of wages from cash mode to bank mode. They pay the

46 Himanshu (2010), "Towards New Poverty Lines for India", *Economic and Political Weekly*, June 02- June 08, Vol. 45, No. 01, pp. 38-48.

47 Dhamija, Nidhi and Bhide, Shashanka. (2010), "Dynamics of Poverty in India: A Panel Data Analysis", *Economics and Political Weekly*, Vol. 45, No. 13, March 27- April 02. Pp. 91-97.

48 Adhikari, Anindita and Bhatia, Kartika (2010), "NREGA Wage Payments: Can we Bank on the Banks?" *Economic and Political Weekly*, June 02- June 08, Vol. 45, No. 01, pp. 30-37.

wages through bank accounts opened by the workers to avoid corruption acquired in the past. The survey, conducted in two parts of India, raises serious concerns about the role and potential of the banking system in streamlining NREGA wage and reducing corruption. This bank payment mode also encourages workers to learn how to use banking system.

S.K. Badodiya (2012)⁴⁹ presented an analytical study on SGSY programme. Thus, the analysis revealed that education exhibited highest positive direct effect on the annual income increased of the respondents. The present study was conducted during 2009-10 in Morar block of Gwalior district Madhya Pradesh. The total sample for this study consisted of 300 beneficiaries' respondents.

2.2.3 Literature on Regional Level Studies

Shenggen Fan (at. al. 2000)⁵⁰ examine state level data for 1970 to 1993; a simultaneous equations model is developed in the paper to estimate the direct and indirect effects of different types of Government expenditure on rural poverty and productivity growth in India. Government expenditure in India is divided into non-development and development spending. The results indicate that the Indian Government should give highest priority to additional investments in rural roads, agricultural research and education to reduce rural poverty. These types of investment have much larger impacts for reducing poverty and also generate higher productivity growth in the economy. Other investments (including irrigation, soil and water conservation, health and rural and community development) have only modest impacts on growth and poverty per additional rupee spent.

Paramjit Dhindsa and R.S. Bawa (2005)⁵¹ take up two approaches in the research paper to show reduction in poverty- one is through the relationship between the rural economic growth and physical infrastructure in the states of Punjab and Haryana, while the second is through the human resource development. It is detailed in the paper that poverty alleviation in India has come from economic growth.

49 Badodiya, S.K., Tomar, Sadhana, Patel, M.M. & Daipuria, O.P. (2012), "Impact of Swarnajayanti Gram Swarozgar Yojana on Poverty Alleviation", *Indian Res. J. Ext. Edu.* 12 (3), September, 2012.

50 Fan, Shenggen (at. al. 2000), "Impact of Public Expenditure on Poverty in Rural India" , *Economic and Political Weekly*, Sep. 30-oct 06, Vol. 35, No. 40, pp. 3581-3588.

51 Dhindsa, Paramjit and Bawa, R.S. (ed., 2005) "*Poverty, Human Resources and Infrastructure Development*", : Misra, S.N., "Poverty and its Alleviation", Deep and Deep Publication, New Delhi.

Economic growth widens economic opportunities, provides the resource needed to invest in human development, and creates the very foundation that will increase its returns. The authors find that the Government of India has paid less attention than it should have to the financing of health and education sectors. The main emphasis has been laid on the development in India through promoting growth, investing in human capital and improving infrastructure.

Aruna Bagchee (2005)⁵² studied on Maharashtra's Employment Guarantee Scheme (EGS) and focuses on improvement in EGS. According to the study two lessons that can be learnt from Maharashtra EGS are-

- The programme was initially very successful because it enjoyed a commitment widely shared across the political spectrum.
- It needs strong departmental inputs in terms of planning; budgeting and technical supervision should involve local Governments and be responsive to the needs of the poor.

It may be difficult to replicate the same political commitment in the India of 2005, yet the case for an employment guarantee remains strong because it is unacceptable that despite the country approaching middle-income status there are 250-300 million people desperate for work and better livelihood. Basically this paper aims to clarify the various cons and pros of the employment generation scheme at the political and administrative level.

R.K. Ojha (2007)⁵³ reveals through his findings that over the reference period of six years the overall incidence of poverty has declined by 6.56 percent in the study areas, which represents the poorest pocket of the state of Uttar Pradesh. The decline was largest in the western region and the smallest in the central region of the state. The survey was conducted in 2004-05 in the poorest pockets of Uttar Pradesh by using the same methodology as used in below the poverty line census 1998-99. However, the reduction was not unidirectional; rather it was the net result of two opposite movements. Some of the non-poor households slid into poverty while some

52 Bagchee Aruna (2005), "Political and Administrative Realities of Employment Guarantee Scheme, *Economics and Political Weekly*, Oct 15-Oct 21-2005, Vol. 40, No. 42, , pp. 4531-4538.

53 Ojha, R.K. (2007), "Poverty Dynamics in Rural Uttar Pradesh", *Economics and Political Weekly*, April 21-April 27-2007, Vol. 42, No. 16.

previously households simultaneously got rid of it. Causal analysis of poverty dynamics reveals that the most important reasons for these opposite movements are largely different from each other. Thus the need for a difference between poverty avoidance and poverty reduction programme and policies is emphasized. The paper also recommends that the Government should ensure complete enumeration of all households and construction of a household-specific index of income/expenditure status for prioritization of interventions and better targeting of poor and not so poor households.

Raghbendra Jha (2007)⁵⁴ emphasizes the implications of one aspect of consumption-its variability- in India's rural sectors. A statistical measure of poverty based on consumption or income at different points of time ignores the fact that variability of its consumption has an impact on utility of the household. The fragility of livelihoods and hence the vulnerability of consumption growth due to aggregate shocks in the Indian rural sector have been highlighted recently. However as yet there exist no estimates of the vulnerability of consumption growth in rural India. The paper attempts to fill the gap by providing 'certainty equivalent growth of consumption in 14 major states in India over the period 1958-97, corresponding to USS rounds 13th to 53rd. It is shown that certainty equivalent growth of consumption in rural India has been much lower than average real per capita consumption growth-indeed in some cases, it has been negative. So, it points out the poor performance of consumer-perceived average welfare in India's rural sector and suggests that it should be an urgent policy concern matter for the state.

Raja J Chelliah and K R Shanmugam (2007)⁵⁵ identify that our planning and economic policies have failed to produce inclusive growth to enable substantial parts of the country to get the benefits of development. This article suggests a set of innovative policies, specifically for accelerating growth in the backward states.

2.3 Research Gap

There are too many poverty alleviation programmes at national as well as at state level, but we have taken only major programs in our study. As the problem of

54 Jha Raghbendra (2007), "Vulnerability of Consumption Growth in Rural India", *Economics and Political Weekly*, Feb 24-March 02, Vol. 42, No. 08, pp. 711-715

55 Chelliah Raja J and Shanmugam K R (2007), "Strategy and Poverty Reduction and Disparities", *Economics and Political Weekly*, Aug 25-Aug31, Vol. 42, No. 34, pp. 3475-3481.

poverty is discussed on many major fields at economic, social and political aspects, a fair number of studies and research-works by different researchers may be found on the poverty-related subjects. Many economists worked on this vicious hindrance of development that is poverty and for many years plenty of studies have been considered on this segment in different ways. We have tried to observe the research-works related to our study to specify the research gap.

Poverty is a poisonous factor that everytime needs more and more studies to watch out the comparison between the past and present situations and to observe how much reduction has taken place in the area regarding to different factors. Other things in this area are also compared that how much reduction has taken place through poverty alleviation programmes and how many people are being employed in a given period of the programme. Effects of programmes are needed to be captured to find out real story behind these programmes.

A review of different poverty alleviation programmes shows that there has been erosion in the programmes in terms of resource allocation, implementation, bureaucratic controls, non-involvement of local communities, etc. After going through various studies and literatures in the area of poverty and its alleviation it could be observed that one of the three persons in India is officially poor, and two of three are malnourished or under-nourished. The Government has to take more initiatives to tackle the persisting problem of poverty. Of course, poverty can never be eradicated instantly, but chronic poverty can be reduced and eliminated by sustained public policy. For this, the performance of the social sectors needs to be improved.

The Government should pay special attention to basic needs and wages of the poor and the labour-intensive-technologies should be encouraged. Access to productive assets like land is important for the weaker sections of the society. Micro-level planning is needed for the success of anti-poverty programmes. The poor must be empowered socially, economically and politically. Creation of employment opportunities is the most effective way to eradicate poverty. Most of these can be created in agro-based industries, constructions and services through the self-employment.

It is widely accepted that the short-term strategies of poverty alleviation, i.e. anti-poverty programmes are not enough. The long-term strategy, i.e. growth,

especially agricultural growth is very much necessary, as majority of poor are in agricultural sector. Finally, the poverty alleviation programmes have the chance of success only when the nexus between corrupt bureaucrats, politicians and village landlords is broken and real beneficiaries are put in charge of the programmes.⁵⁶

Keeping in view the above, it is concluded that the poverty alleviation programmes will be more effective by better targeting, reducing wastages and corruption, making the programme more meaningful in terms of relevance to local need and priorities, and creating institutional conditions for greater accountability.

56 Yadav, B.S.; Kumar, Deepak; Meena (2010), "Poverty in India-Concepts, Measurement and Alleviation", Shri Publishers and Distributors, New Delhi.

CHAPTER - THREE

POVERTY ALLEVIATION PROGRAMMES IN INDIA

3. Poverty Alleviation through Government Programmes

The Government of India has been forming and implementing various Poverty Alleviation and Social Security Programmes since the early years of Indian independence. The poverty alleviation programmes in India can be categorized according to their targets and formations. Most of the programmes are designed to target rural poverty as the prevalence of the poverty is high in rural areas. Moreover, targeting of the poor is challenging in rural areas due to various geographic and infrastructure limitations. The programmes can be mainly grouped into: 1) Employment Generation Programmes (Self-Employment and Wage-Employment Programmes), 2) Target Specific Programmes (Social Security and Food Security Programmes), 3) Area Development Programmes (Tribal/Hilly/Drought Prone Area Development Programmes) and 4) Twenty Point Programmes.

3.1. Employment Generation Programmes

There are many poverty alleviation programmes which generate employment of the poor society. These programmes help the poorer section in upgradation of the whole society by making them employed for certain period and by generating skills for their work in future.

3.1.1. Self-Employment Programmes

Elimination of poverty continued to be the major concern in Five Year Plans, efforts were made to make the Self-Employment Programmes broad based through integration of different sectoral activities. Some of the major Self-Employment Programmes are as follows:

1. Agro-Service Centres

In the fourth plan assistance was provided to the unemployed graduates and diploma holders for opening Agro-Service Centres. The main objectives of this plan are as: to provide self-employment opportunities to the technical labour; to provide maintenance and repairing facilities for agricultural machinery and tools to farmers at

their farm places only; to establish convenient centres for spare parts, fuel, lubricating oil and other engineering inputs; to provide inputs like, fertilizer, pesticides etc.

2. Integrated Rural Development Programme (IRDP)

The IRDP, launched in 1979, is the largest and most important agency in the arena of special poverty alleviation programmes. It started with 2000 blocks, and later on, all the 5011 blocks in the country were brought under its cover and various other programmes and agencies in the field were merged with the IRDP. The basic aim of IRDP is to lift the rural poor (especially the SC, ST, agricultural labourers, rural artisans, marginal and small farmers, in brief, the poorest among the poor in the rural economy) above the poverty line through micro level block planning based on household surveys. Creation of basic infrastructural facilities for the growth of the small-scale industries and development of skill and knowledge among the rural people are two important objectives of the IRDP. The IRDP emphasizes the need for coordination among various agencies operating to help the rural poor. The banks and other credit institutions are to work in close co-operation with the IRDP so as to ameliorate the economic conditions of the people below the poverty line. During Ninth Five Year Plan (1998-99), IRDP was ceased to exist and it was merged with SGSY.

3. Training of Rural Youth for Self-Employment (TRYSEM):

The TRYSEM was launched by the Central Government on August 15, 1979 with a view to provide training facilities to millions of rural unskilled labourers. The scheme was linked with the IRDP. The TRYSEM, which is a facilitating component of the IRDP, aims at providing basic technical and entrepreneurial skills to rural youth in the age group of 18 to 35 years from families living below the poverty line to enable them to take up income generating activities. The minimum age for providing training under the TRYSEM is relaxed to 16 years for inmates of orphanages in rural areas. The upper age limit of 35 years is relaxed upto 45 years in case of widows, freed bounded labourers, freed convicts, persons displaced due to large development projects and cured leprosy patients.

Under the TRYSEM, a minimum of 50 percent of selected youths should belong to the SC/ST communities. The coverage of women among the rural youth

trained should be at least 40 percent while a minimum of 3 percent of the benefits should be earmarked for physically handicapped persons.

Trained imparted both through the formal training institutions like it is, Nehru Yuvak Kendras (NYK), Polytechnics, Krishi Vigyan Kendras, institutions run by NGOs, etc., and non-institutional mode like master craftsmen functioning from their own place of work. Under the scheme, two types of financial assistance are provided - one, recurring expenses on the TRYSEM training like stipends to trainees, honorarium, to training institutions master craftsmen, tool kits given free of cost to the trainees; and purchase of raw materials; another, non-recurring expenses for the TRYSEM infrastructural development, including building equipment and training aids.

4. Supply of Improved Toolkits to Rural Artisans (SITRA)

SITRA was launched in July 1992, as a sub-scheme of IRDP in selected districts; this scheme has since been extended to all the districts of the country. Under the scheme, a variety of crafts persons, except weavers, tailors, needle workers and beedi workers, are supplied with a kit of improved hand tools within a financial ceiling of Rs.2000, of which the artisans have to pay 10 per cent and the remaining 90 per cent is a subsidy from the Government of India. The supply of power driven tools, subject to a ceiling of Rs.4500, is also permitted under this scheme.

Beyond this, any additional finance required by the artisans can be provided through loans under IRDP. The rural artisans are trained under TRYSEM for which an age relaxation has been provided to them. Since the inception of this scheme in 1992-93 up to 1996-97, 6.10 lakh toolkits have been distributed to rural artisans at an expenditure of Rs.116.19 crore. Reports from the State Governments indicate that the scheme has been well received by rural artisans. The more popular crafts under this scheme are black smithy, carpentry, stone craft, leather work, pottery and cane & bamboo work. Prototypes of improved tools in these crafts have been developed by the National Small Industries Corporation (NSIC), Regional Design and Technical Development Centres under the Development Commissioner, Handicrafts and other organizations. The SITRA was evaluated by an independent research organization, i.e. Development Alternatives, New Delhi, in two Districts of Uttar Pradesh, namely Agra

and Aligarh. This implies that the income level of rural artisans have increased substantially with the use of improved tools.

Creating self-employment opportunities began with the introduction of the IRDP (1978-79), TRYSEM (1979), DWCRA (1982-83), SITRA (1992) and the Ganga Kalyan Yojana (1996-1997). To remove conceptual and operational problems in the implementation of these programmes, a holistic programme covering all aspects of self-employment such as organization of the poor into SHGs, training, credit, technology, infrastructure and marketing called SGSY, was started on April 1, 1999. Based on the feedback provided and recommendations made by various studies, National Rural Livelihood Mission (NRLM) was launched during 2009-10 to facilitate effective implementation of the restructured SGSY scheme in a mission mode. NRLM aims at reducing poverty in rural areas through promotion of diversified and gainful self-employment and wage-employment opportunities.¹

5. Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY):

PMRY started in 1993 with the objective of making available self-employment opportunities to the educated unemployed youth by assisting them in setting up any economically viable activity. So far, about 20 lakh units have been set up under the PMRY, creating 30.4 lakh additional employment opportunities. The targets for additional employment opportunities under the Tenth Plan and in 2004-05 are 16.50 lakh and 3.75 lakh, respectively. While the REGP is implemented in the rural areas and small towns (population up to 20,000) for setting up village industries without any cap on income, educational qualification or age of the beneficiary, PMRY is meant for educated unemployed youth with family income of up to Rs.40, 000 per annum, in both urban and rural areas, for engaging in any economically viable activity.

6. Swarn Jayanti Shahri Rozgar Yojana (SJSRY):

The SJSRY was launched by the Government of India on December 1, 1997 to provide gainful employment to the urban unemployed and under-employed by

¹ http://12thplan.gov.in/12fyp_mgr/suggestions/docs/1_Poverty%20Alleviation%20in%20India-%20Concept%20Note.pdf

encouraging the setting up of self-employment ventures or provision of wage-employment.

This scheme subsumed the earlier three urban poverty alleviation programmes and was also revamped with effect from April, 2009 to include the Urban Women Self-Employment Programme (USEP), Urban Women Self-Help Programme (UWSP), Skill Training for Employment Promotion amongst Urban Poor (STEPUP), Urban Wage-Employment Programme (UWEP), and Urban Community Development Network (UCDN).

7. Swarnajayanti Gram Swarozgar Yojana (SGSY)

SGSY was launched in April, 1999 and is the only self-employment programme currently being implemented. It aims at promoting micro enterprises and to bring the assisted poor families (Swarozgaris) above the poverty line by organizing them into SHGs through the process of social mobilization, training and capacity building and provision of income generating assets through a mix of bank credit and Government subsidy. The scheme is being implemented on a cost sharing ratio of 75:25 between the Centre and States. Since inception of the scheme upto December, 2002 a total allocation of Rs. 3,496.66 crore, to benefit 32.48 lakh Swarozgaris.

SGSY is a self-employment programme with the objective of helping poor rural families cross the poverty line by assisting them to take up income generating economic activities through a mix of bank credit and Government subsidy. The SGSY specially focuses on vulnerable sections among the rural poor with SCs/STs to account for at least 50 percent and women 40 percent of the 'swarozgaris'.

In each district of the country, one Rural Self-Employment Training Institute (RSETI) has to be set up for basic and skill training of rural Below Poverty line (BPL) youth to enable them to undertake micro-enterprise and wage-employment. The Government has approved 329 RSETIs out of which funds have been provided to 264. The SGSY has now been restructured as the NRLM which is now renamed as Aajeevika. The NRLM aims at reducing poverty by enabling poor households to access gainful self-employment and skilled wage-employment opportunities. This should result in appreciable improvement in their livelihoods on a sustainable basis through building strong and sustainable grassroots institutions.

3.1.2. Wage-Employment Programmes

The main purpose of the wage-employment programmes is to provide a livelihood during the lean agricultural season as well as during drought and floods. Wage-employment programmes were first started during the Sixth and Seventh Plan in the form of National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programmes (RLEGP). These programmes were merged in 1989 into Jawahar Rozgar Yojana (JRY). A special wage-employment programme in the name of Employment Assurance Scheme (EAS) was launched in 1993 for the drought prone, desert, tribal and hill area blocks in the country. Different wage-employment programmes were merged into Sampoorna Gramin Rozgar Yojana in 2001. NREGS, launched in 2006, aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage-employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work. Some major wage-employment programmes are listed below -

1. Crash Scheme for Rural Employment:

In the early 1970s, when the planning strategy emphasized a direct attack on poverty, the CSRE was introduced in April 1971 as a crash scheme to alleviate the prevailing conditions of unemployment and underemployment in rural areas by generating additional employment through additional rural works. Apart from employment generation, the other objective of the CSRE was to generate assets of a durable nature in the areas of minor irrigation, land development, roads, afforestation, school buildings and other durable assets.

2. Pilot Intensive Rural Employment Project (PIREP):

The experience of CSRE indicated the need for more concentrated efforts to tackle the problem of rural unemployment. The Bhagavati committee on Rural Unemployment drew attention to this aspect in its report, and recommended the initiation of the PIREP as an action-cum-research programme in rural areas. PIREP was introduced in 15 selected blocks in October 1972 for a period of three years. Over and above employment generation, it also aimed at studying the nature and dimensions of the problem of unemployment among wage seeking rural workers. Though PIREP proved to be a slightly better programme in the sense that it threw

light on certain characteristics of rural unemployment, it was not rated as successful by the review committee on PIREP. The review committee pointed out that due to certain organizational problems, PIREP could not be of much use in evolving a comprehensive programme for the whole country.

3. National Rural Employment Programme (NREP):

NREP was launched in the year 1980 as a centrally sponsored scheme on 50:50 sharing basis between the Centre and the States. But at the time of reviewing the performance of the programme during the Sixth Five Year Plan period, the Seventh Five Year Plan document notes - “it is not known as to how much of this has been directed towards those who are landless and the poorest among the poor. To this extent the programme has apparently lacked a direct focus on the direct group population, for whom it was meant.”

4. Kutir Jyoti Programme

The Indian Government started a ‘Kutir Jyoti Programme’ in 1988-89 for improving the living standards of the SCs and STs families, including the rural families who live below the poverty line. Under this programme, a Government assistance of Rs. 400 is provided to the families who are living below the poverty line including Dalits and Adivasis for providing single point electricity connection in their houses. Under this programme over 62.31 lakh single point connection were released and Rs.516.40 core disbursed to the households of rural families BPL by March 2004.

5. Rural Landless Employment Guarantee Programme (RLEGP):

To supplement wage-employment generation, from 15th August, 1983, another programme adapted as RLEGP was launched with a view to providing guarantee of employment to at least one member of every landless households up to 100 days and creating durable assets for strengthening rural infrastructure. In RLEGP, provision was made to earmark 10 percent of the funds for works of direct and if necessary individual benefit to the members of Scheduled Castes (Seventh Plan). In the last year (1989-90) of Seventh Five Year Plan, JRY was launched by merging NREP and RLEGP.

6. Jawahar Rozgar Yojana (JRY)

It was launched in April 1989 by merging NREP, 1980 and RLEGP, 1983. Its target group was the rural poor BPL and it aimed at providing wage-employment to at least one member of each poor family for 50-100 days a year, at a workplace near his residence. This programme was formally terminated in 1999 and structured under Jawahar Gram Samridhi Yojana (launched on June 23, 1999).

7. Nehru Rojgar Yojana (NRY)

The NRY which was initially started in 1989 but re-prepared in March 1990 is being implemented by the urban development ministry. NRY was designed to provide employment to the urban unemployed and underemployed poor people. The employment contemplated was of two types: one, relates to the setting up of self-employment ventures and other type relates to the provision of wage-employment through the creation of socially and economically useful assets and shelter upgradation programme in urban area. Since the Eighth Five Year Plan, the expenditure of this plan was being shared by the Central and the States in the ratio of 60:40. The following three plan were included in this programme:

a) The Scheme of Urban Micro-Enterprise (SUME)

The objective of the SUME plan which was started on June 15, 1990 was to provide assistance to the urban poor for micro enterprises. In this plan, those urban poor were included whose annual income was less than Rs. 11850 and who were permanently residing for the last three years in the urban areas. The maximum limit of the loan given to the men and women of the SCs and STs under this plan was Rs. 20000 and for other people the maximum limit was Rs. 16000. From the amount of the loan, a subsidy of 25 percent was given for the project cost but its maximum limit for the men and the women of the SCs and STs was Rs. 5000 and for other people it was Rs. 4000. Under this, the repayment of the loan amount could be done in the form of monthly or quarterly instalments between the periods of three to five years.

b) Scheme of Urban Wage-Employment (SUWE):

The objective of this plan was to provide wage-employment to the urban poor people living in urban and sub-urban areas. In the expenditure of this scheme, the material labour ratio was 60:40.

c) Scheme of Housing and Shelter Upgradation (SHASU):

The objective of this scheme is to provide employment by means of shelter upgradation in the urban areas with population of 1 to 20 lakhs. Under the Scheme, beneficiaries were provided a loan upto Rs. 3000 at the interest of 10 percent per annum a subsidy of Rs. 1000 for improving their houses. The financial requirement exceeding Rs. 4000 (3000 + 1000) could be obtained by Housing and Urban Development Corporation (HUDCO) provided a loan upto Rs. 19500 for this purpose. Under the NRY there was target of providing employment to ten lakh urban people every year, with 30 percent reserved for the women. Special attention was paid to the people of SCs and STs. From 1992-93, the SEPUP plan was combined with the NRY.

All the three schemes of NRY have abolished on 30 November 1997 and a new scheme 'Swarna Jayanti Urban Employment Scheme' has been launched since December 1, 1997. NRY has been replaced by Swarna Jayanti Urban Employment Scheme.

8. Employment Assurance Scheme (EAS):

A new scheme known as EAS was launched on October 2, 1993 in identified backward blocks situated in the Drought Prone Areas, Dessert Areas, Tribal Areas and Hill Areas in which the Revamped Public Distribution System (RPDS) was in operation. As per the available information, it covered 1778 blocks in 261 districts. The scheme was meant to provide for assured employment for up to 100 days of unskilled manual work to all rural adults between the age of 18 and 60 years normally residing in the area covered who are in need of employment and seeking it during the lean agricultural season. Certain works have been identified as priorities under the EAS. These include: Works under watershed development including water conservation, afforestation, silvi-pasture and agro-horticulture; Minor irrigation tanks, percolation tanks, village tanks and canal works; Link road works selected on the basis of the Master Plan prepared for the district to enhance connectivity of unconnected villages; Primary school buildings on the pattern of Operation Black Board; Building for Anganwadis.

9. Intensified Jawahar Rozgar Yojana

From 1993-94, the Intensified Jawahar Rozgar Yojana is being implemented in those 120 backward districts of 12 states of the country which are badly affected with unemployment and underemployment problems. These states are Andhra Pradesh, Bihar, Gujarat, Jammu and Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal. Since January 1, 1996 this plan was merged with EAS. Under Intensified Jawahar Rozgar Yojana those works are given priority which provide ample employment opportunities, like creating small irrigation facility on barren lands, forests etc.. This plan also includes various activities which create rural infrastructure including primary education institution.

10. Innovative and Special Employment Scheme

The third stream of JRY which is known as Innovative and Special Employment Scheme is being implemented since the year 1993-94. In this scheme, such special and modern projects are included whose objectives are to stop the migration of labour, to encourage the female employment and to develop the productivity in the desert areas. Following are some of the main points of this scheme: under this plan, the schemes like Operation Blackboard Scheme (1987) were also given place which fulfills the main objectives of JRY. The construction of the school building and of classrooms has been given priority; all the projects coming under the third stream are given acceptance by a screening committee which is constitute under the chairman-ship of the secretaries of rural employment and poverty eradicating departments of the Central Government.

11. Pradhan Mantri Gram Sadak Yojana (PMGSY)

The PMGSY, which was launched on 25 December 2000, is a scheme to provide road connectivity through good all-weather roads to 1.60 lakh Unconnected Habitations with a population of 500 persons or more in the rural areas by the end of the Tenth Plan period (2007) at an estimated cost of Rs. 60,000 crore. The programme is being executed in all the States and six Union Territories. While the focus of the programme is on providing road connectivity to Unconnected Habitations of stipulated population size, connectivity is being provided to all Panchayat

Headquarters and places of tourist interest under the PMGSY irrespective of the population size. Since inception, project proposals for Rs. 7,553.26 crore have been cleared. About 56,200 kilometers of rural roads have been taken up under the programme, benefiting about 37,225 habitations. The programme is being executed in all States and six Union Territories. Till December 2002, 10,882 road works have been completed providing connectivity to 12,508 Habitations with an expenditure of Rs. 3,321,059 crore. In 2013-14, since inception projects totaling about 474528 km of road to connect 126176 habitations have been cleared. A total of 363652 km road length has been completed and new connectivity has been provided to over 89382 habitations by the state. Work on a road length of about 107739 km is in progress.

The present source of funding for PMGSY is the diesel cess, 50 percent of which is earmarked for PMGSY. Efforts are underway to raise additional resources for the programme with financial assistance from the World Bank and the Asian Development Bank.

12. Sampoorna Gramin Rozgar Yojana (SGRY):

The SGRY was launched in September 2001. The Scheme of Jawahar Gram Samriddhi Yojana (JGSY) and EAS have been fully integrated with SGRY. The objective of the scheme is to provide additional wage-employment along with food security, creation of durable community, social and economic assets and infrastructural development in the rural area. The scheme envisages generation of 100 crore man-days of employment in a year. The cost of the programme is to be shared between the Centre and the State on a cost sharing ratio of 87.5:12.5 (including foodgrains component). During 2001-02, 22.00 lakh tonnes of rice and 12.49 lakh tonnes of wheat were allocated under the scheme. Off-take upto April 2002 was 13.5 lakh tonnes of rice and 5.64 lakh tonnes of wheat. During the current year the total off-take of foodgrains from the Central pool, under the scheme was 39.22 lakh tonnes upto December 2002. Under SGRY 47.63 lakh tonnes of foodgrains have separately been released until now, free of cost, to the State Governments for facilitating employment generation programmes in Drought Prone Areas.

13. Food for Work Programmes (FFWP):

The National Food for Work Programme (NFFWP) was launched in 150 most backward districts in November 2004. It was a 100 percent centrally sponsored scheme. This programme provided temporary employment with food grains as wages. Its objectives were to ensure employment and food security to the rural people affected by natural disasters like droughts and floods. It aimed at generating supplementary wage-employment and providing food security through creation of need-based economic, social and community assets.

14. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):

Identifying the humanitarian crisis, the Government of India made commitment in its Common Minimum Programme (CMP) that it would immediately enact an Employment Guarantee Act. The draft proposed by the National Advisory Council (NAC) envisaged legal guarantee to every household in rural areas for 100 days for doing casual manual work. Formulation and implementation of a major flagship rural employment generation programme was the demand of time. National Rural Employment Guarantee Act (NREGA) was designed in this very context. The NREGA enacted in September 2005 but it came into force on 2nd February 2006 with the introduction of 100 days of guaranteed employment in a financial year to any rural household whose adult members are willing to do unskilled manual work. The Act was notified in 200 most backward districts in its first phase of implementation. In the second phase (2007-08), it was extended to an additional 130 rural districts. The remaining 274 districts were notified under NREGA with effect from 1st April 2008 in the third phase. Since 2008, NREGA has covered almost all the rural areas of the country with the exception of districts which have a 100 percent urban population. From October 2, 2009 NREGS has been renamed as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). MGNREGS seeks to provide at least 100 days of guaranteed wage employment in a financial year to at least one member of every rural household whose adult member volunteer to do unskilled manual work. It is, so far, the most prominent scheme and labelled as the flagship rural wage employment programme of the government of India. Keeping in the view the success

of this Programme, UNDP has signed a memorandum with the Indian Government to support this programme during the Twelfth Five Year Plan (2012-2017).

15. Prime Minister Employment Generation Programme (PMEGP):

PMEGP was announced the Prime Minister of India on 15th August, 2008. This is a credit linked Scheme of Govt. of India, which is formed by merging erstwhile REGP and PMRY scheme. KVIC is the Nodal Agency at National Level. The programme objectives are: to generate continuous and sustainable employment opportunities in Rural and Urban areas of the country; to provide continuous and sustainable employment to a large segment of traditional and prospective artisans, rural and urban unemployed youth in the country through setting up of micro enterprises and to facilitate participation of financial institutions for higher credit flow to micro sector.

3.2. Target Specific Programmes

3.2.1. Social Security Programmes

1. Marginal Farmers Development Agencies (MFDA)

One of the objectives of Fourth Five Year Plan (1969-74) was to provide loans to the small farmers so that they may use the modern techniques and adopt the intensive farming. On the directions of Planning Commission, such agencies were established for recognizing the small framers and presenting various plans to the banks for solving the financial problems of the small framers.

2. Development of Women and Children in Rural Areas (DWCRA)

Development of Women and Children in Rural Areas Programme (DWCRA) was started in September 1982 in the form of a sub-plan of IRDP. At present DWCRA is not in existence because it is merged with Swarna Jayanti Gram Swarajgar Yojana SGSY. The main aim of this programme was to provide proper self-employment opportunities to women of those rural families who are living below the poverty line, so that their social and economic standard could be improved. Under this programme, the policy of making a group of 10 to 15 women was adopted corresponding to the local resources, their own choices and skills to complete the economic activities.

3. Self-Employment to the Educated Unemployed Youth SEEUY

Self-Employment to the Educated Unemployed Youth Programme was started by the Government of India during 1983-84. Under this scheme, scheme educated unemployed youth (Matric or above education) having age limit between 18-35 years and also having annual family income below Rs.10000 were eligible for obtaining loan, including 25 percent capital subsidy given by the Central Government.

Under the scheme, eligible entrepreneurs were provided composite debt of maximum Rs. 35000 for their industrial enterprises. For commercial and service enterprises this amount was fixed to be Rs. 25000 and Rs.15000 respectively. 30 percent of the total sanctioned amount was reserved for SC/ST in this programme.

4. Self-Employment Programme for the Urban Poor SEPUP

The Government of the India started this programme in the year 1986, with the aim to provide Self- Employment opportunities, with the assistance of subsidies and bank loans to the families living below the poverty line in the metropolitan, urban and semi- urban areas.

Under this programme a financial assistance of Rs..5000 was to be granted, depending on the cost of the unit, to a beneficiary for doing any business. 10 percent p.a. interest rate was payable on granted loans which was supposed to be repaid in 33 equal monthly instalments after the 3 months interval span. The borrower was also entitle to get capital subsidy upto 25 percent of the project cost. The applicant must be the resident of any city/town or other area except the Integrated Rural Development Area and he should be continuously residing at that place for the last 3 years. The family income of the applicant should not be more than Rs.600 per month.

This programme continues till 1991-92 but in 1992-93 this was combined with ‘SUME’ of the NRY.

5. Million Wells Scheme (MWS)

During 1988-89, MWS was started as a sub - plan of NREP / RLEGP in order to provide open irrigation wells free of cost to the poor belonging to the SCs/STs, to marginal and small farmers and to freed bonded labours. Since April 1, 1989 this plan was continued under JRY, but during 1995-96 it was given an independent status.

MWS was funded by the Centre and States in the ratio of 80:20. It also lost its existence at present as it has been merged with SGSY on April 1, 1999.

6. National Social Assistance Programme (NSAP):

Article 41 of the Constitution of India directs the State to provide public assistance to its citizens in case of unemployment, old age, sickness and disablement and in other cases of undeserved want within the limit of its economic capacity and development. In accordance with the directive principles of State Policy, the Government of India introduced in 1995 the NSAP as a centrally sponsored scheme to lay the foundation of a National Policy for Social Assistance for the poor. The NSAP aim at ensuring a minimum national standard for social assistance addition to the benefits that the States are currently providing or would provide in future.

NSAP was introduced as a 100 percent Centrally Sponsored Scheme on 15th August 1995. It has three components: namely

- (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS): Under the scheme, BPL, pensions in the age group of 60-79 years are entitled to monthly pensions of Rs.200 and BPL persons of age 80 years and above are entitled to a monthly pension of Rs.500.
- (ii) Indira Gandhi National Widows Pension Scheme (IGNWPS): BPL widows aged 40-59 years are entitled to a monthly pension of Rs.200.
- (iii) Indira Gandhi National Disability Pension Scheme (IGNDPS): BPL pensions were aged 18-59 years with severe and multiple disabilities are entitled to a monthly pension of Rs.200.
- (iv) Indira Gandhi National Family Benefit Scheme (IGNFBS): Under the scheme of BPL household is entitled to lump sum amount of money on the death of the primary breadwinner aged between 18 and 64 years. The amount of assistance is Rs.10000.
- (v) Indira Gandhi National Maternity Benefit Scheme (IGNMBS).

NSAP supplements efforts of State Governments with the objective of ensuring minimum national levels of well-being and the Central assistance is not meant to displace the state's own expenditure on Social Protection Schemes.

7. Pradhan Mantri Gramodaya Yojana (PMGY):

PMGY was launched in 2000-01 in all the State and the Union Territories in order to achieve the objective of sustainable human development at the village level. The PMGY envisages allocation of Additional Central Assistance to the States and Union Territories for selected basic minimum services in order to focus on certain priority areas of the Government. PMGY initially had five components viz., Primary health, Primary Education, Rural Shelter, Rural Drinking Water and Nutrition. Rural Electrification has been added as an additional component from 2001-02.

The allocation for PMGY in 2000-01 was Rs. 2,500 crore. This has been enhanced to Rs. 2800 crore for 2001-02. For the year 2002-03, Rs. 2,800 crore has been provided. During the last two annual plans, the six sectoral programmes of PMGY were managed by the concerned Central Administrative Departments. However, from the current year, the Planning Commission is to directly implement this programme. New guidelines on the implementation of the PMGY during Annual Plan 2002-03 have been issued to all the State Governments and Union Territories.

8. Valmiki Ambedkar Awas Yojana (VAMBAY)

The VAMBAY, launched in December 2001, facilitates the construction and upgradation of dwelling unit for the slum dwellers and provides a healthy and enable urban environment through community toilets under Nirmal Bharat Abhiyan, a component of the scheme. VAMBAY was the first scheme of its kind meant exclusively for slum dwellers. The ratio of Central and State Government expenditure is 50:50. Since its inception Rs. 932.56 crore have been released as Government of India subsidy for the construction / upgradation of 459728 dwelling units and 65580 toilet seats under the scheme. VAMBAY along with National Slum Development Programme (NSDP), has been subsumed in Integrated Housing and Slum Development Programme (IHSDP) launched on December 3, 2005 along with Jawaharlal Nehru National Urban Renewal Mission (JNNURM).

9. Rajiv Awas Yojana

Cabinet committee on economic affairs has approved the first phase of a new scheme Rajiv Awas Yojana on June 2, 2011 for redeveloping the slums of the cities

Rajiv Awas Yojana is to be implemented in two phases: First will be for two years (2011-13) and second will be for the remaining period of twelfth plan (2013-17).

3.2.2. Food Security Programmes

1. Public Distribution System (PDS):

According to the provisions of this scheme, poor people are provided food grains on cheaper rates through 4 lakh fair price shops so as to assure food security to them. In some states, this scheme is implemented in both rural and urban areas. Almost 3 percent of Government budget is spent on this scheme. PDS has helped the poor people to some extent. For the success of this plan PDS system has been computerized in 2007-08. Under this scheme, there was a provision of Rs. 32667 crore for food subsidy in 2008-09.

2. Annapurna Yojana:

This scheme was initiated on 1st April, 2000. It is 100 percent centrally sponsored plan. It provides food grains to senior citizens. It involves those citizens who come under old age pension scheme, yet do not get any pension and ten kilograms of food grains, free of cost is given to such individual. Since 2002-03, this scheme has been handed over to states.

3. Antyodaya Anna Yojana (AAY):

AAY, launched in December 2000, provides food grains at a highly subsidized rate of Rs.2.00 per kg for wheat and Rs.3.00 per kg for rice to the poor families under the Targeted Public Distribution System (TPDS). The scale of issue, which was initially 25 kg per family per month, was increased to 35 kg per family per month from April 1, 2002. The scheme initially for one crore families was expanded in June 2003 by adding another 50 lakh BPL families. During 2003-04, under the AAY, against an allocation of 45.56 lakh tonnes of food grains, 41.65 tonnes were lifted by the State/UT Governments. Budget 2004-05 expanded the scheme further from August 1, 2004 by adding another 50 lakh BPL families. With this increase, 2 crore families have been covered under the AAY.

3.3 Area Development Programmes

Some programmes are meant for the development and betterment of specially affected areas, such as hill areas, tribal areas, rain-fed areas or Drought Prone Areas, dessert areas etc. Dwelling in these tough areas is not as simple as there in common field areas. Hence, for the betterment of the living conditions of the residents of these special areas the Government of India has implemented some special schemes that are called Special Area Development Programmes. Since the Fifth Plan the Government has started the preparation of sub-plans on specific area basis. The sub-plan approach ensures a certain order of normal developmental effort from out of the state plan funds supplemented by special central assistance, conceived as an additive to the state effort. The focus of attention in the sub-plans is on evolving a pattern and strategies of development which will take into account the local resources and problems of the area. Some of the major programmes in this category are as follows

3.3.1. Hill Area Development Programmes (HADP)

The hill areas of the country, particularly the Himalayan and the Western Ghats regions which constitute about 21 per cent of the total area and contain 9 per cent of the total population of the country, support the basic life-giving natural resources but have fragile and sensitive eco-systems. The need to conserve natural resources and the environment, particularly to prevent damage to fragile and irreplaceable eco-systems, has been voiced in national policies and programmes for quite some time. The HADP, in operation since the inception of the Fifth Five Year Plan, has been a major step in this regard. Simultaneously, it has also aimed at the goal of balanced regional development. During the Seventh Plan, the programme is expected to enter a crucial phase, particularly with reference to complementarity of interests of the hills and plains.

The hill areas fall broadly into two categories, namely: (i) those that are co-extensive with boundaries of State or Union Territories i.e., the hill State and UTs and (ii) those which form part or parts of a State, and which are designated hill areas.

The first category includes the states and union territories of the North-Eastern Region, Jammu and Kashmir and Himachal Pradesh. These are termed as 'Special Category States' whose outlays are met, substantially out of Central assistance. For

the integrated development of the hill states and union territories of the North-Eastern region, the Central Government has set up the North-Eastern Council in 1971 by an Act of Parliament.

In the second category, the hill areas so far indentified form parts of: (a) the larger States of Assam, Uttar Pradesh, West Bengal and Tamil Nadu, and (b) Western Ghats areas covering 163 talukas in the States of Maharashtra, Karnataka, Kerala and Tamil Nadu and the Union Territory of Goa. Only these designated hill areas are covered under the HADP operative since 1974-75.

Apart from the normal flow of funds to the hill areas from the State Plans, in consideration of the regional imbalance and other special factors, Special Central Assistance (SCA) is being provided for the HADP. An allocation of Rs. 170 crores, inclusive Rs. 20 crores for Western Ghats Development Programme (WGDP), was made for the Fifth Plan. It was raised to Rs. 560 crores (including Rs. 75 crores for WGDP) in the Sixth Plan. The Seventh Plan allocation of SCA is Rs. 870 crores inclusive of Rs. 116.50 crores for WGDP. The pattern of assistance comprises 90 per cent grant and 10 per cent loan. In so far as category (a) of the designated hill areas (Paragraph 16.4) is concerned, the available SCA is allocated among the constituent States, giving equal weightage to area and population. In the case of areas in category (b), excluding the Nilgiris district (which is covered by the former category), the weightage for area is 75 per cent and for population 25 per cent. In order to ensure integration and linkages of schemes formulated under the SCA with other sources of funding like the State Plans, a sub-plan approach has been adopted. But in the case of WGDP, a scheme-wise approach has been followed².

3.3.2 Tribal Area Development Programmes (TADP)

According to the 2011 Census tribal's have a population of 104,281,034 (about 8.2 percent of the total population of India). It consists of 365 tribes grouped under 58 tribal communities. These tribal's constitute 94.75 per cent of the total population of Mizoram followed by Lakshadweep (93.15 percent), Nagaland (87.70 per cent), Maghalays (85.33 per cent), Dadra and Nagar Haveli (78.99 per cent) and Arunachal Pradesh (63.66 per cent). Besides there are nine states (Manipur, Tripura, Madhya

2 <http://planningcommission.nic.in/plans/planrel/fiveyr/7th/vol2/7v2ch16.html>

Pradesh, Sikkim, Orissa, Gujarat, Assam, Rajasthan and Maharashtra) and two union territories (Daman and Diu and Andaman-Nicobar islands) wherein the percentage of tribal population to the state's total population is above the national average (8.08 per cent).

There are 90 districts in the country wherein the tribal population is more than 50 per cent of the total population. Similarly there are 332 talukas/ tahsils in the country in which Scheduled Tribes are in absolute majority. In 62 districts their population is between 25 to 50 percent.

Their maximum clustering is found in the north- eastern hills, the Meghalaya-Karbi-Anglong plateau, the Chota Nagpur plateau, eastern margins of the Aravallis and Vindhyas, Western Ghats and high Himalayan valleys. These are hilly, forested and semi-arid areas generally backward in terms of social and economic development.

The tribal areas present a considerable degree of environmental bio-diversity and, therefore, their development needs and problems are of differing order and character and call for micro-level focus and planning. The tribal area development programme has been conceived as an integrated programme for areas with 50 per cent or more tribal concentration.

The emphasis is on the preparation of a sub-plan for such areas whose long-term objectives are: (i) to narrow the gap between the levels of development of tribal and other areas, and (ii) to improve the quality of life of the tribal communities. The sub-plan areas have been identified in 19 states and 2 union territories. Extensive areas covered by this programme are in Madhya Pradesh (including Chhattisgarh), Orissa, Maharashtra, Gujarat, Andhra Pradesh, Bihar (Jharkhand), and Rajasthan.

The resources for the tribal sub-plan mainly come from the state plan funds, investment from Central ministries, special Central assistance and institutional finance. In the formulation of the sub-plan, special effort is being taken to design the programmes such that they are specially suited to the communities living in these areas and are intended to tackle the problems faced by them³.

3 <http://www.preservearticles.com/2012020322534/complete-information-on-area-development-programmes-in-india.html>

3.3.3 Drought Prone Area Programme

The Drought Prone Area Programme (DPAP), Desert Development Programme (DDP) and Integrated Wastelands Development Programme (IWDP) are being implemented with effect from 1.4.1995 on a watershed basis, as per the recommendations of the Technical committee on DPAP and DDP headed by Dr. C.H. Hanumantha Rao. The common guidelines for watershed development provide for a uniform strategy in the implementation of all area development programmes. The main features of this strategy are: Area development programmes to be implemented exclusively on watershed basis; Programmes and activities to be confined to the identified watershed of about 500 hectares and are to be executed on a project basis spanning over a period of four to five years; Watershed project to cover a village, as far as possible; Elaborate institutional mechanism at various levels clearly defined for effective participation of the local people and the Panchayat Raj Institutions (PRIs) in all stages of project management; DRDA/ZP to be the nodal Government agency at the district level to act as a facilitator and provider of finances and technical assistance to the people's organizations executing the watershed projects.

DPAP aims at to minimize the adverse effects of drought on production of crops and livestock and productivity of land, water and human resources ultimately leading to the drought proofing of the affected areas. It also aims at promoting overall economic development and improving the socio-economic conditions of the unprivileged poor and disadvantaged sections inhabiting the programme areas. The DPAP is in operation in 947 blocks of 161 districts in 13 States. Under DPAP, Rs.89.44 crore has been spent during 1999-2000. For 2000-01, the Central outlay of Rs.190.00 crore has been provided for DPAP.

3.3.4 Dessert Development Programme

The Great Indian Desert, or the Thar Desert, encompasses the western half of Rajasthan and the adjacent areas in Gujarat and Haryana. Besides this hot desert, a cold arid zone in the northern parts of the country extends over Ladakh in Jammu and Kashmir and parts of Himachal Pradesh.

In the past, some sporadic attempts have been made to develop only the hot arid deserts, while cold arid areas have practically remained neglected upto recently.

Some of the former rulers of the Princely States situated in what is now Rajasthan did make attempts to find ad hoc solutions to the pressing problems, but these were confined to isolated pockets. There is no evidence of any organized and systematic attempt having been made before Independence to tackle the problems of the desert areas in a systematic or comprehensive way.

In 1951-52, the need to conserve and improve the resources of the desert region of Rajasthan was recognized and an ad hoc Committee of Experts was appointed by the Union Government to go into the matter. Accordingly, a Desert Afforestation Centre was set up at Jodhpur in pursuance of the recommendations of this committee. Subsequently, the scope of work at this station was enlarged by the inclusion of soil conservation programmes, and it was renamed in 1957 the Desert Afforestation and Soil Conservation Station. The station was required to conduct research, basic as well as applied, in land use covering forestry, crop husbandry and grassland development so that the problem of wind erosion and the resulting increase in dessertic conditions could be controlled.

At the commencement of the Sixth Plan, the coverage of DDP was reviewed in 1982 by a Task Force set up by the Ministry of Rural Development headed by Dr. M.S. Swaminathan, then member, Planning Commission. The Task Force suggested continuance of the programme in all the existing areas except in Kutch district (Gujarat) and parts of Kargil district (Jammu and Kashmir). In Kutch district, the programme was merged with another on-going programme, namely, the DPAP which has broadly similar objectives. In Kargil district, four out of five development blocks were recommended for exclusion, as these blocks have substantial rainfall, vegetation and irrigation. Extension of the programme was suggested to cover the Pooh Subdivision of Kinnaur district in Himachal Pradesh. The programme during the Sixth Plan covered 126 blocks as against 132 blocks earlier. The following major activities have been taken up under this programme: Afforestation, with special emphasis on shelter belt plantation, grassland development and sand dune stabilisation; Ground water development and utilisation; Construction of water harvesting structures; Rural electrification for energising tube-wells and pump sets; and Development of agriculture, horticulture and animal husbandry.

3.4 Twenty Point Programme

The late Prime Minister, Mrs. Indira Gandhi in a announcement to the Country on 14th January, 1982 brought out a new nationwide motive 'Shram Eva Jayte in addition to "Satyamev Jayate", attractive to the people for their full hearted support in making the 20-point programme successful. The programme was defined as "An agenda for the Nation" and mentioned that the identified areas of special thrust which would show an immediate noticeable results for various required segments of the country's economy. The items included under the 20-point programme were as: Increase in the irrigation potential and provision of inputs for dry land agriculture; Strengthening and expanding coverage of Integrated Rural Development and NREPs; Supply of drinking water to all villages; Allotment of house sites to rural families and construction assistance to them; Improving the environment of slums and house-building schemes for economically weaker sections, measures to arrest unwarranted increase in land prices; Maximization of power generation and electrification of all villages; Vigorous implementation of afforestation, social and farm forestry and the development of bio-gas and other alternative energy sources; Promotion of family planning on a voluntary basis as a people's movement; Substantial augmentation of universal primary health care facilities and control of leprosy, tuberculosis and blindness; Spread of universal elementary education for children in the 6-14 age group with special emphasis on girls and involvement of students and voluntary agencies in removal of adult illiteracy; Expansion of the PDS, supply of textbooks and exercise books to students on a priority basis of promotion of a strong consumer protection movement; Continued strict action against smugglers, hoarders and tax evaders and checking black-money; Improvement in the working of public sector enterprises; Liberalization of investment procedure and streamlining of industrial policies to ensure timely completion of projects providing all facilities to handicrafts, handloom, small and village industries to update their technologies; Accelerated welfare programme for women and children, nutrition programmes of pregnant women, nursing mothers and children, especially in the tribal, hill and backward areas; Rehabilitation of the bonded labour; Accelerated programmes for the development of the scheduled castes and scheduled tribes; Special efforts to increase the production of pulses, vegetables and oilseeds; and Strict implementation of agricultural land ceilings and distribution of surplus lands; Review and effective

enforcement of minimum wages for agricultural labour. Most of the 20-point programmes were rural development activities which are to be supported to help the village communities in their overall socio-economic development.

CHAPTER - FOUR

PERFORMANCE OF EMPLOYMENT GENERATION PROGRAMMES AT NATIONAL LEVEL

The employment opportunities in any country depend on the level of development. So, when a country makes progress and its production level expands, the employment opportunities grow. In India, during the past three decades production has expanded in all the sectors of the economy. In response to these developments the absolute level of employment has also grown but not upto the mark. Unemployment situation was recognised as a problem from the beginning by the Planning Commission. Accordingly, employment generation was accepted as a goal of economic planning. Economic Planning is considered as a development tool which is mainly of two types – one, economic planning resorted to in underdeveloped countries with the objectives of translating development promises into practice and secondly, planning in socialist countries. India is practising the first type of planning.¹ After the introduction of economic planning in India, various employment generation programmes and approaches have been adopted for development of the rural area. In the present study, evaluation is specifically related to the socio-economic impact of these employment generation programmes. In our study an attempt has been made to evaluate specific poverty alleviation programmes to examine their impact on employment generation.

4.1 Employment Generation Programmes in India

In the Five Years Plans targeted poverty alleviation programmes have been formulated and modified to have direct bearing on the existing poverty levels. The current growth outlook does not seem to be very encouraging as the economy could achieve only 4.9 per cent in 2013-14 as against a growth rate of 4.5 percent in 2012-13. It is a matter of concern in terms of the economy's potential for generating greater and quality employment. However, a faster growth with special emphasis on employment-intensive sectors like the small-scale industry was considered appropriate to generate employment of the order required to take care of the problem.

1 Misra, S. K. & V. K. Puri (2012), Indian Economy: Its Development Experience, Himalaya Publishing House, Mumbai.

These programmes aimed to employ all those who are in search for job just to earn to overcome from hunger. The Government has taken numerous steps to fulfil the objectives through implementation of various employment generation programmes. Thus, the emphasis laid on alleviation of poverty and generation of employment through two approaches; training for Self-Employment and provision of Wage-Employment.

The nature of these programmes is to provide direct benefits to the poorer sections by making them employed and increasing their earnings. In actual, Government tries to make them learn how to work, so that in future they always indulge in work and be employed. This directly leads to reduce the poverty from the economy. The implementation of these programmes in our country is organized at the Central level and the State level. The functioning of the programmes is found in all the states of the country. Though, as the primary responsibility of carrying out these programme they require drive and direction from Central as well as state governments for the proper development of this economy.

At present, there are different programmes functioning all over India. These programmes are mostly assisting the beneficiaries involved in the programme. Various employment generation schemes launched by Government of India through various Ministries/Departments had tried to bridge the gap for unemployed people. These flagship schemes are Swarnajayanti Gram Swarozgar Yojana (SGSY), Swarna Jayanti Shahri Rozgar Yojana (SJSRY), Prime Minister's Employment Generation Programme (PMEGP) and Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). During 2009-10, employment generation was of the order of 256.64 crore person-days from Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) besides, a total of 22.94 lakh Swarozgaries were assisted under Swarnajayanti Gram Swarozgar Yojana (SGSY) and Swarna Jayanti Shahri Rozgar Yojana (SJSRY) together. Prime Minister's Employment Generation Programme (PMEGP) generated 4.23 lakh employment opportunities.

4.1.1 Employment Generation Programmes in Rural India

Rural Development in India is one of the most important factors for the growth of the Indian economy. India is primarily an agriculture-based country. Agriculture contributes nearly one-fifth of the gross domestic product (GDP) in India.

In order to increase the growth of agriculture, the Government has planned several programs pertaining to Rural Development in India. The Ministry of Rural Development in India is the apex body for formulating policies, regulations and acts pertaining to the development of the rural sector. Agriculture, handicrafts, fisheries, poultry, and dairy are the primary contributors to the rural business and economy. Rural poverty is a complex phenomenon and definite explanations are difficult to find. Rural unemployment has sharply accentuated in India in the recent years. Between 1993-94 and 1999-2000, rural employment grew at the annual growth rate of 0.58 percent while the rate of growth of rural labour force was much higher. Nevertheless, in the realm of economics, it is possible to stress some casual factors. Given that in India rural poverty implies an inadequate intake of calories, the extent of poverty would depend on the availability of and people's access to food-grains.

Over the years, the Government has introduced a whole gamut of schemes to tackle the problem of rural areas on a wide front, in an attempt to lift the people from the morass of poverty. Major emphasis for action against poverty through poverty alleviation programmes was undertaken from the Fourth Five Year Plan onwards in the country. In the First Five Year Plan there was only one programme - Community Development Programme (1952) introduced for overall development of rural areas with people's participation. The community development programme later became overburdened and a need to sharply focus the agriculture was felt. So, the first programme which sharply focused agriculture was launched in 1960-61, called as Intensive Agriculture Development Programme (IADP). At the beginning of the Fourth Five Year Plan, it was realized that the benefits of the Green Revolution were not percolating to the small and marginal farmers and the agricultural labourers who constituted the bulk of the rural poor. So pilots were launched in selected districts in 1969 by setting up agencies namely - Small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Labourer Development Agency (MFALA), and at the same period Crash Scheme for Rural Employment (CSRE) and Drought Prone Area Programme (1973-74) introduced.

Programmes for alleviating poverty started mainly from Fifth Five Year Plan where the Government introduced the schemes; with a slogan 'Garibi Hatao'. Those programmes are - Food for Work Programme and Minimum Needs Programme.

However, the creation of employment opportunities was in focus from Second Five Year Plan but particular programmes for employment started in Sixth Five Year Plan (1980-85) onwards *viz.* Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP), Training Rural Youth for Self-Employment (TRYSEM), and Rural Landless Employment Guarantee Programmes (RLEGP). Towards this end the Applied Nutrition Programme (ANP) was launched which later replaced by Supplementary Nutrition Programme, which was subsequently incorporated into the Integrated Child Development Services (ICDS) scheme. In the Seventh Five Year Plan, (1985-90) Government starts the Jawaharlal Rozgar Yojana (JRY), and later on NREP and RLEGP were merged with it. Employment Assurance Scheme (EAS) was implemented in 1993 during the Eight Five Year Plan. Thus, the process of rural employment continued during the Ninth Plan with the Swarnajayanti Gram Swarozgar Yojana (SGSY), Pradhan Mantri Gram Sadak Yojana (PMGSY), and Sampoorna Grameen Rozgar Yojana (SGRY). During the Tenth Five Year Plan Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was introduced with the objective of 100 days of wage employment to every rural household in the country.

Thus, rural development in India has witnessed several changes over the years in its emphasis, approaches, strategies and programmes. It has assumed a new dimension and perspectives as a consequence. Rural development can be richer and more meaningful only through the participation of beneficiaries for development. Just as implementation is the touchstone for planning, people's participation is the centre-piece in rural development. People's participation is one of the foremost pre-requisites of development process both from procedural and philosophical perspectives. For the development planners and administrators it is important to solicit the participation of different groups of rural people, to make the plans participatory.

4.2 Selection of Poverty Alleviation Programmes

There were numerous programmes which implemented and later either merged into the other programme or renamed or modified with inclusion of more objectives. Some programmes, which were not effective, were replaced by other programmes. Among all, three programmes were chosen on the basis of the proportion of actual working of the programme on generating the employment of the

poor masses with the fund utilization for the relative programme. Separately, each programme treated to find how much employment has been generated on the source of funds utilized for each programme. The financial aspect has been measured to check the physical performance of the programme. So, the selection of the programme was aligned by keeping in the mind the major fact that they were well-entrenched and had been in place for at least last five years. Considering this, the final choice fell on three programmes, namely- MGNREGA, SGSY and PMEGP. Final selection of these programmes was also confirmed after the conversation with the office-persons of Nirman Bhavan, Aligarh District in Uttar Pradesh. After the selection procedure of the programmes, the national level and state level data of India was collected for each programme.

4.3 Sample Design and Objectives of the Study

In order to pursue macro level study on programmes to alleviate poverty, employment generation taken as dependent variable and fund utilized as independent variable. Schemes were selected mainly on the basis of availability of data of employment-specific programmes (such as - self-employment programme and wage-employment programme). To observe the employment generation total beneficiaries/workers were taken in numbers who have received employment under the programme. It is generally felt that the employment from the programmes would interest only landless, marginal and small farmers and workers. The time series data of total numbers of employers/workers involve in the related programme were selected. We have made an attempt to evaluate the impact of selected programmes on employment generation through quantitative studies.

It would be useful to discuss and evaluate major three schemes launched during the successive plan periods with the specific objective of alleviating rural poverty and generating employment opportunities for the rural areas. An evaluation study has been carried on the programmes to assess the performance, effectiveness and impact of programmes in the country. Keeping the above views the present study was undertaken with following objectives. To study the socio-economic impact of the programmes; To assess the extent to which the programmes helped the targeted groups in providing employment; To analyse the growth in employment through programmes; To identify the problems faced by the beneficiaries in acquiring benefit

of the programme; To study the problem encountered after the implementation of the programmes.

4.4 Database Description and Research Methodology

There are three programmes selected purposely due to major effect on the rural society. After the selection of the programmes time series data of beneficiaries and during the period how much fund allocated by the Government for the programmes sample were collected through compiling the Secondary data. The study was conducted since the inception of the programme till the year 2013-14. So there is varying period between the programmes. We try to compare the programmes on the basis of their financial and physical part during their inception till recent period on the source of the availability of data and we want to compare the programme to check the most effective programme between the three. We can state that to check the most effective programme between the three, we focus on the similar variable i.e. Funds utilized and employment generation of each programme keeping other variables / factors constant. The study is based on Secondary data. All the relevant secondary information was collected at national level and state level. Alongwith the use of publications sources, the information were collected through

- The data available on the website of Ministry of Rural Development, Government of India and the website of the programmes at national level.
- Various reports availability on the website of Planning Commission, Government of India; Reserve Bank India, Government of India; Ministry of Finance, Government of India; India Budget and Economic Survey, Government of India.
- Discussions with the officers of Nirman Bhavan in Aligarh District in Uttar Pradesh; about the programmes to gather the information about the programmes that are selected for analysis.

We assume our hypothesis to be ‘selected rural poverty alleviation programmes have significant impact on employment generation’. Here we assume our null hypothesis (H_0) is equal to 0, i.e. there is no effect of funds utilization on employment generation and the alternative hypothesis (H_0) is not equal to 0, i.e. there is effect of fund utilization on employment generation. A quantitative analysis has been used in

the study. Quantitative data was tabulated and statistically analysed. For analysis we use log-linear regression tool to see the effectiveness of the programme and to make comparison between the programmes. After the comparison, the emphasis has been laid on major scheme which really have some positive effects on the rural society. The three programmes employment generation year wise growth shown on the figure which make easy to draw the comparison between the programmes on the basis of their growth line. The trend line on the figure display the changes on the growth of employment generation of each programmes and compares the level to determine the ups and downs of the programmes.

The log-linear regression attempts to model the relationship between two variables by fitting a linear equation to observed data. One variable is considered to be an explanatory variable, and the other is dependent variable. Here, we relate the employment generation to funds utilized using a log-linear regression model. The log-linear regression model for evaluation of our study is $\ln Y = a + b \ln X$, where X is the Fund Utilization (independent variable) and Y is the Employment Generated (dependent variable). The slope of the line is b (beta) is regression coefficient, and a (alpha is constant) is the intercept (the value of y when x = 0).

Before attempting to fit a linear model to observed data, we first determine whether or not there is a relationship between the variables of interest. This does not necessarily imply that one variable causes the other but that there is some significant association between the two variables. A scatterplot became a helpful tool in determining the strength of the relationship between two variables. If there appears there is some association between the proposed explanatory and dependent variables (i.e., the scatterplot indicate an increasing trends through a straight line), then fitting a linear regression model to the data probably will provide a useful model. A valuable numerical measure of association between two variables is the correlation coefficient, which is a value between -1 and 1 indicating the strength of the association of the observed data for the two variables.

As we want to perceive the impact of programmes and judge the relevant employment generated or not. To see this impact of programmes on employment we use employment generation as our dependent variable for the selected three

programmes. The explanatory variable of the simple linear regression is funds allocation.

Before we present the results of our regression analysis, let us comment briefly on the dependent and independent variable

4.5 Funds Allocation and Funding Pattern of Selected Schemes

As per the Constitution of India, it is binding that Government allocate funds, formulate programmes and policies to improve the social conditions and alleviate poverty. There are a number of schemes in India ensuring employment for those seeking work, subsidized food distribution and many of social welfare programmes. Thus, the Government spends more than Rs. 7000 crore annually on these programmes. The combined expenditure of Centre and State Governments on Rural Development increased from the level of about Rs. 7665 crore in 1991-92 to Rs. 11,550 crore in 1999-2000. The funds allocation for Ministry of Rural Development of Rs. 80,194 crore in 2013-14 marking an increase of 46 percent over RE 2012-13 in Indian budget. Within Rural Development a separate budget head, namely “Rural Employment and Poverty Alleviation” allocations concentrate on poverty alleviation strategies.

The Government of India from the year 1999-2000 has restructured/modified most of the rural development schemes. Besides this the Government of India has also changed the funding pattern of the schemes from 50:50, 80:20 and 100 percent and most of the schemes are now being implemented on 75:25 and 90:10 sharing basis between the Central and State Government respectively. In the schemes the MGNREGA is 90:10, 90 percent of Central Government and 10 percent of State Government; likewise SGSY/Aajeevika is 75:25. While PMEGP is implemented through KVIC and State/UT Khadi & V.I. Boards in Rural areas and through District Industries Centres in Urban and Rural areas in ratio of 30:30:40 between KVIC / KVIB / DIC respectively. As per the KVIC Act, the funds provided by Government of India under its budgetary sources are credited under broad Heads such as (1) Khadi, (2) Village Industries, and (3) General and Miscellaneous. The budget support being provided by Government of India every year is the main source of finance for KVIC to implement its promotional and developmental programmes. Further KVIC provide funds as money margin subsidy to PMEGP.

4.6 Financial and Physical Performance of the Schemes since Inception

We have chosen three schemes to evaluate their performance on the basis of the impact of one to other factor. To know the relationship between the factors we use regression analysis. The financial part is funds allocation and funds utilization and so the physical part is employment generation that refers to person-a manly capacity to work for learning task and earning money. Thus, whatever employment is generated due to funds is all allocated by the government for the targeted people. The aim is to assess financial performance of the schemes from their inception till recent years, whether they have brought any change to the physical appearance or show no effect to the aimed portion of the scheme? Whether following schemes were able to fulfil their objectives or they do not show any progress after having too much of financial expenditure? Have these programmes performed mannerly? In comparison which programme is able to perform better than the other? To obtain these answers we have to go through each programme and analyse the data to see the growth of each programme.

4.6.1 Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

As we have discussed before about the programme MGNREGA aimed to generate more and more employment to the economy. The single most distinguishing feature of MGNREGA from the other employment programmes of the past is that the provision of work is triggered by the demand for work by wage seekers and provided as their legal right. To carry forward the demand-driven character of MGNREGA, on 27 Nov 2013 the Union Ministry of Rural Development has launched under MGNREGA a Yojana naming “Kaam Maango Abhiyan” to pro-actively register demand in select districts of the country, to increase awareness about the entitlements under the programme and to increase participation in the programme by fulfilling the guarantee of employment against demand. MGNREGA officials pay very close attention to generating awareness among potential wage seekers and set up systems that facilitates and rigorously records registration for work, issuance of job cards and application of work. They include various types of work to make the unemployed people employed. The people are employed to work under MGNREGA in Water Conservation, Provision of Irrigation Facility to Land, Rural Connectivity, Land

Development, Bharat Nirman Rajiv Gandhi Seva Kendra, Rural Drinking Water, Rural Sanitation, Fisheries, Livestock Related Work, Agricultural Related Work, and Flood Related Works like deepening and repair of flood channels etc.

The funding pattern of MGNREGA includes funding by both Centre and States Governments. The Central Government bears the costs on the items as $\frac{3}{4}$ the entire cost of wages of unskilled manual workers, $\frac{3}{4}$ i.e. 75 percent of the cost of material, wages of skilled and semi-skilled workers. Administrative expenses as may be determined by the Central Government, which will include, inter alia, the salary and the allowances of the programme officer and his supporting staff and work site facilities. $\frac{3}{4}$ Expenses of the National Employment Guarantee Council. The State Government bears the costs on the items as 25 percent of the cost of material, wages of skilled and semi-skilled workers (as a ratio of 60:40 is to be maintained for wages of the unskilled manual workers and the material, skilled/semi-skilled Government has to bear only 25 percent of the 40 percent components, which means a contribution of 10 percent of the expenditure. $\frac{3}{4}$ Unemployment allowance payable in case the State Government cannot provide wage employment on time. $\frac{3}{4}$ Administrative expenses of the state Employment Guarantee Council.² Funding of the scheme has been very balancing between the State and Centre.

Since its inception MGNREGA has generated 1575 crore person-days of employment upto December, 2013. From financial year 2006-07 up to financial year 2013-14 over Rs. 1,55,000 crore has been spent on wages. This is almost 70 percent of the total expenditure. The scheme's notified wages have increased across all the states since 2006. The average wage earned by every beneficiary has risen from Rs. 65 per person-days in 2006-07 to Rs. 124 per person-days in 2013-14.³ The National Level Monitors, Area Officers and officials of the Ministry of Rural Development undertake annual field visits to Mahatma Gandhi NREGA Phase I, II and III districts.

The financial and physical performance of MGNREGA towards States, when it comes to coverage of population, the states that claim to have covered more than 50 percent of the households are Chhattisgarh and Madhya Pradesh, with both of them having poverty rates that are much higher than the national average; followed by

2 www.nrega.nic.in

3 http://nrega.nic.in/netnrega/writereaddata/Circulars/Report_People_Eng_jan_2014.pdf

Bihar and Jharkhand, with over 30 percent coverage but very high levels of poverty. Besides, at the total expenditures suggests that Madhya Pradesh, Andhra Pradesh and Rajasthan have distributed Rs.10-17 billion as wage payments followed by Uttar Pradesh, Chhattisgarh, West Bengal and Bihar, with the utilized amounts ranging between Rs.5 and 10 billion each. Another important thing to consider about the scheme is about the impact on farm mechanization of agriculture. Ultimately, it is worth mentioning here that the MGNREGS has benefited the agricultural labourers not only directly, but also indirectly as the scheme pressured the Minimum Agricultural Wage Rate (MAWR) to be increased.

The major impact on employment situation under MGNREGA since its inception (2006-07 to 2013-14) can be seen in the following table.

TABLE 4.1: Financial and Physical performance of MGNREGA.

	<i>Financial Factors</i>		<i>Physical Factors</i>	
Year	Funds Allocation (Rs.in Lakhs)	Fund Utilization (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
2006-07	1130000.00	860119.702	20983491.00	-
2007-08	1200000.00	1536370.009	33889122.00	61.50
2008-09	3000000.00	2725171.908	45112792.00	33.12
2009-10	3910000.00	3790805.776	52585999.00	16.57
2010-11	4010000.00	3937825.223	54947068.00	4.49
2011-12	4000000.00	3763653.701	50424472.00	-8.23
2012-13	3300000.00	3944359.622	49887678.00	-1.06
2013-14	3300000.00	4227227.949	47806605.00	-4.17

Source: www.indiastat.com; www.nrega.nic.in; Ministry of Rural Development, G.O.I., Annual Report 2012-13.

The above table portrays the overall performance of MGNREGA through the financial and physical outlays. Till 2010-11, the performance of the growth of employment generation is declining movement in fund utilization but later in 2011-12 it started to show negative growth. This can be seen in the section of growth in employment generation of the above table. Government officials state the drop in funds utilization down from 76.57 percent in 2009-10 to 74.57 percent in 2010-11, may be due to the lower demand for work. But the lower utilization of administrative

allocations is mysterious when the scheme lacks capacity to spend the 40,100 crores the centre had allocated for the given year. “The scheme suffers through major human resources constraint especially at the level where money needs to be channelized,” according to a Planning Commission official. The administrative set up is not developing as it should. On the brighter side, there is an improvement in the funds utilization numbers in comparison to 2012-13 when only 22.34 percent of the funds for administrative expenses were used by the states.

There has been improvement this year as these officials focused on building capacity, however, one cannot say the performance is up to the mark. For the coming years, the ministry is going to instruct states to show better utilization in the category as a condition to release of funds. The states that have spent most towards improving administrative issues are Andhra Pradesh and West Bengal. Other states/U.Ts like Tripura, Andaman and Nicobar Islands, Goa have also spent around 70 percent of the funds, although the allocations were lower than other big states where the demand for work is concentrated. The states that have failed to improve their performance have been Bihar, Madhya Pradesh, Rajasthan and some special category north-eastern states like Mizoram, Meghalaya and Manipur among others. The average rate of utilization for other states is around 30 percent. Farm wages in this programme increased from 15 percent to 20 percent in the states like Haryana, Bihar, West Bengal, Assam, Punjab and Orissa.

The physical performance of the scheme has so far provided 3.56 crore households with employment throughout the country. This also states that around 13,332 crore person-days are created and 7.08 lakh assets are built, out of 25.98 lakh taken up under the programme. Of the total person-days created, 51.02 percent are the person-days by the women labourers. Similarly, 40.19 percent are created by SC members and 21.83 percent by persons from the ST community.

There are some severe problems in the implementation perspective of this programme as well. The promise of 100-day employment to one member of every household which seeks employment is largely unfulfilled. There are several in built biases in the execution of MGNREGA. The poor, are inadequately represented in those selected for participation, the duration of employment is systematically lower for poor households. At the same time, the non-poor are disproportionately

represented, indicating some capture. Whereas few participants admit to paying bribes, several reported that personal acquaintance was necessary to secure employment under MGNREGA. Many participants indicated that they wanted to continue to work on MGNREGA. This is less of an indicator of the efficacy of the MGNREGA than of the fragility of their livelihoods.

4.6.2 Swarnajayanti Gram Swarozgar Yojana (SGSY)

The Swarnajayanti Gram Swarozgar Yojana (SGSY), a Centrally Sponsored Scheme implemented in all the states except Delhi and Chandigarh since April 1999, is primarily designed to promote self-employment oriented income generating activities for the BPL households in the rural areas. Later, SGSY was restructured as NRLM in June, 2010 to implement it in a mission mode in a phased manner for targeted and time bound delivery of results. NRLM was projected to emerge as the centre-piece of India to battle against rural poverty and reasonably proposed to overcome the limitations of SGSY. NRLM has now been renamed as Aajeevika to implement it in a mission mode across the country and was formally launched on 3rd June, 2011.

The two major strategic shifts under Aajeevika in relation to SGSY are - (i) Aajeevika will be a demand driven programme and the States will formulate their own poverty reduction action plans under it based on their past experience, resources and skills base and, (ii) Aajeevika will provide for a professional support structure for programme implementation at all levels from national to sub-district level in different streams.⁴ SGSY is woven around the mechanism of Self-help Groups (SHGs). SGSY is holistic scheme, covering all aspects of self-employment programme such as organisation of the poor into (SHGs), training, credit, technology, infrastructure and marketing and designed to break the financial, technical and market constraints that the individual BPL households face to cross the threshold of poverty line. The main component of the scheme includes – formation of SHGs of rural poor households; capacity building training for managing the SHGs and skill training to take up micro-enterprises; strengthening thrift and credit in SHGs by providing revolving fund support; credit linkage with banks/other financial institutions and back ended subsidy for eligible SHGs / members to take up micro-enterprises; provision of support for

4 <http://indiabudget.nic.in/ub2014-15/eb/po.pdf>

marketing and infrastructure creation to strengthen the forward and backward linkages; and technology inputs for micro-enterprises.

Basically, SGSY focuses on minimum skill development of groups to improve the use of credit. It promotes group activities that can increase sustainable incomes. The scheme falls within Ministry of Rural Development and is implemented by the District Rural Development Agency (DRDA) with the help of Gram-Panchayat, Panchayat Samiti, Banks and NGOs. The scheme is funded by financial institutions, Panchayat Raj Institutions, District Rural Development Agencies (DRDAs), Non-Government Organisations (NGOs), Technical Institutions in the District; which are involved in the process of planning, implementation, and monitoring of the scheme. NGOs may be sought in the formation and nurturing of the SHGs as well as in the monitoring of the progress of the beneficiaries. Where feasible, their services may be utilized in the provision of technology support, quality control of the products and as recovery monitors cum facilitators.

SGSY is being funded by the Centre and the State Governments in the ratio of 75:25. The objectives of SGSY are to bring the assisted poor families (Swarozgaris) above the poverty line in three years, by providing them income-generating assets through a mix of bank credit and government subsidy. It would mean ensuring that the family has a monthly net income of at least Rs.2000. Subject to availability of funds; the effort will be to cover 30 percent of the poor families in each block during the next five years. Critical gaps in investments will be made under SGSY subject to a ceiling of 20 percent (25 percent in the case of north-eastern states) of the total programmes allocation for each district. This amount will be maintained by the DRDAs as SGSY – Infrastructure Fund and which can also be utilized to generate additional funding from other sources.

The following table is focused on physical and financial review of SGSY scheme since inception (1999-2013).

TABLE 4.2: Financial and Physical performance of SGSY.

YEAR	Funds Allocation (Rs. in lakhs)	Funds Utilized (Rs. in Lakhs)	Employment Generation (in numbers)	Growth of Employment Generation (in percent)
1999-2000	147233.00	95986.00	933868	-
2000-01	133250.00	111794.00	1006152	7.74
2001-02	77450.00	97032.00	937468	-6.83
2002-03	75637.00	92111.27	826267	-11.86
2003-04	106583.00	104585.81	896895	8.55
2004-05	133267.00	129088.15	1115928	24.42
2005-06	133266.67	133878.26	1151116	3.15
2006-07	146600.00	142420.00	1691926	46.98
2007-08	226882.00	196597.00	1699295	0.44
2008-09	264344.00	228539.00	1861875	9.57
2009-10	268866.00	277919.08	2085177	11.99
2010-11	311645.77	280403.93	2109986	1.19
2011-12	286566.00	231816.00	1677117	-20.52
2012-13	391500.00	101233.00	1144199	-31.78

Sources: www.rural.nic.in; www.indiastat.com; www.indiabudget.nic.in;
Tenth Five Year Plan 2002-2007

In the above table the financial factors are funds allocation and funds utilisation whereas its impact were seen on physical aspects that is employment generation. The last column is growth of employment generation where we can see fluctuation from the 1999-2000 to 2012-13. In the first two years SGSY shows positive growth and after that for the two years from 2001-02 to 2002-03, it remains negative growth. The performance of the growth seems to be positive after 2002-2003 till 2010-11 but the growth of employment generation in that period was very fluctuating in the year 2011-12 to 2012-13 the growth shows falling percent of growth.

In the evaluation of SGSY scheme the study mostly concentrates over following aspects like year-wise physical-growth, SGSY at glance (before, during, and after), funds available, disbursement, and category-wise number of beneficiaries assisted during the period. The allocation of funds by the Government of India to states under SGSY is made on the basis of the proportion of poor households in the

respective states. Eastern and Central regions which had the highest concentration of rural poor (34.6 per cent and 33.8 per cent, respectively) also had high budgetary allocations (about 30 per cent and 27-28 per cent). However, their utilization of funds is dismal. Similarly, the flow of credit under the programme to the Eastern region (having 34.6 percent poor) is 16.7 percent which is less than half of its share in the poor. Within the Eastern region, there lies great inter-state disparity in the flow of credit. The progress of SGSY has been slow since more efforts are required to create a productive base for the rural poor who need livelihood outside agriculture during the last twelve years (1999-2011). 40 lakhs SHGs (in the first phase (1999-2005), 20.06 in phase second 2006-2011 (20.14 lakh) were formed. But, only 28 lakh passed Grade I and 13.64 lakh SHGs passed Grade II. From the inception of SGSY, 42.05 lakh SHGs have been formed under the programme with women SHGs accounting for about 60 percent of the total.

The SHGs are given technical as well as book keeping training through Rural Self Employment Training Institute (RSETI) and in due course, these will be granted subsidy to the key activity with a subsidy credit ratio of 1:3. A procedure is also being formulated with existing marketing setups with the help of the chamber of commerce members as well as private and government sector officials for the forward linkages for each of the product produced by the SHGs. During 2013-14, the total number of SHGs under NRLM fold is 13,15,437 of which 2,19,061 (17 percent) have been mobilized in this financial year. Allocation for NRLM for 2013-14 has been kept at Rs. 4000 crore, an increase of Rs. 85 crore over the previous year's budget estimates (BE). Of this, an amount of Rs. 858.41 crore has been released up to September, 2013. The total funds available for the scheme over the last six years were Rs.26674.75 crore but the utilization was around 74 percent (Rs.10482 crore) of available funds. Upto 10 percent of SGSY funds will be set aside as training fund and will be utilized to provide both orientation and training programmes to the Swarozgaris, as indicated above.

4.6.3 Prime Minister Employment Guarantee Programme (PMEGP)

Prime Minister's Employment Generation Programme (PMEGP) was announced on 15th August, 2008 and launched in 2008-09 replacing REGP scheme. PMEGP is a credit-linked subsidy programme launched by Ministry of Micro

Small and Medium Enterprises (MSME) for creation of employment opportunities through origin of micro enterprises in both rural and urban areas of the country. Micro enterprises are increasingly being viewed as a catalyst for enhancing the income earning capacities of the youth. The scheme targets the generation of 37.4 lakh employment opportunities during 2008-09 to 2012-13. The specific objectives of the programme are: To generate employment opportunities in rural as well as urban areas of the country through setting up of new self-employment ventures/projects/micro enterprises; To bring together widely dispersed traditional artisans/rural and urban unemployed youth and to provide them with self-employment opportunities to the extent possible, at their places; To provide continuous and sustainable employment to a large segment of traditional and prospective artisans and rural and urban unemployed youth in the country, so as to help check distress migration of rural youth to urban areas.

The funding levels of PMEGP under rural areas (location of project/unit) in general category, the rate of subsidy (of project cost) is 25 percent and for special category (including SC, ST, OBC, Minorities, Women, Ex-Servicemen, Physically Handicapped, NER, Hill and Border areas etc.) is 35 percent. The beneficiary's contribution (of project cost) is 10 percent for general category and 05 percent of special category. The maximum cost of project/unit admissible under manufacturing sector is Rs.25 lacs. The maximum cost of project/unit admissible under business/service sector is Rs.10 lacs. The Government subsidy under the scheme will be routed by KVIC (Khadi and Village Industries Commission) through the identified banks for eventual distribution to the beneficiaries in their Bank Accounts. Banks sanction 90 percent of the project cost in case of general category of beneficiary/institution and 95 percent in case of special category of beneficiary/institution and disburse the full amount suitably for setting up the project.

The beneficiary eligibility condition in the programme involves any individual above 18 years of age, there will be no income ceiling for assistance for setting up projects under the programme, for setting up of project costing above Rs.10 lakh in the manufacturing sector and above Rs. 5 lakh in the business/service sector, the beneficiaries should possess at least 8th standard pass educational qualification, assistance under the scheme is available only for new projects sanctioned specifically

under the PMEGP, Self-Help Groups (including those belonging to BPL provided that they have not availed benefits under any other scheme) are also eligible for assistance under PMEGP, institutions registered under Societies Registration Act, 1860, Production Co-operative Societies, and Charitable Trusts, existing units (under PMRY, REGP or any other scheme of Government of India or State Government) and the units that have already availed Government Subsidy under any other scheme of Government of India or State Government are not eligible.

The following activities are not permitted under PMEGP for setting up of micro enterprises/projects/units, as - any industry/business connected with meat (slaughtered), i.e. processing, canning and/or serving items made of it as food, production/manufacturing or sale of intoxicant items like Beedi/Pan/Cigar/Cigarette etc.; any Hotel or Dhaba or sales outlet serving liquor, preparation/producing tobacco as raw materials, tapping of toddy for sale, any industry/business connected with cultivation of crops/plantation like Tea, Coffee, Rubber etc. sericulture (Cocoon rearing), Horticulture, Floriculture, Animal Husbandry like Pisciculture (fish farming), Piggery, Poultry, Harvester machines etc.; manufacturing of Polythene carry bags of less than 20 microns thickness and manufacture of carry bags or containers made of recycled plastic for storing, carrying, dispensing or packaging of food stuff and any other item which causes environmental problems; industries such as processing of Pashmina Wool and such other products like hand spinning and hand weaving, taking advantage of Khadi Programme under the purview of Certification Rules and availing sales rebate; Rural Transport (Except Auto Rickshaw in Andaman & Nicobar Islands, House Boat, Shikara & Tourist Boats in J&K and Cycle Rickshaw).

The scheme was implemented by Khadi and Village Industries Commission (KVIC), Mumbai, a statutory body created by the Khadi and Village Industries Commission Act, 1956, which will be the single nodal agency at the national level. At the State level, the scheme was implemented through State Directorates of KVIC, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres in rural areas. In urban areas, the scheme was implemented by the State District Industries Centres (DICs) only. KVIC was coordinate with State KVIBs/State DICs and monitor performance in rural and urban areas. KVIC and DICs also involve

NSIC, Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), Panchayati Raj Institutions and other NGOs of repute in identification of beneficiaries under PMEGP.

The identification of beneficiaries was done at the district level by a Task Force consisting of representatives from KVIC/State KVIB and State DICs and Banks. The Task Force would be headed by the District Magistrate / Deputy Commissioner / Collector concerned. The bankers involve the right from the beginning to ensure that bunching of applications is avoided. However, the applicants, who have already undergone training of at least 2 weeks under Entrepreneurship Development Programme (EDP) / Skill Development Programme (SDP) / Entrepreneurship cum Skill Development Programme (ESDP) or Vocational Training (VT) was allowed to submit applications directly to Banks. However, the Banks refer the application to the Task Force for its consideration. Exaggeration in the cost of the project with a view only to availing higher amount of subsidy should not be allowed. KVIC devise a score card in consultation with SBI and RBI, and forward it to the District Level Task Force and other State/District functionaries. This score board then form the basis for the selection of beneficiaries. This score card also display on the websites of KVIC and Ministry. The selection process should be through a transparent, objective and fair process and Panchayati Raj Institutions should be involved in the process of selection of E-governance is a vital requirement for effective monitoring and reviewing of the scheme. In addition, data base of existing REGP beneficiaries as well as PMRY was documented.

A separate PMEGP website was constructed by KVIC, including all the relevant linkages with Ministry of MSME, State KVIBs, DICs, NIC and Banks, providing all the necessary information. Application tracking system was introduced by KVIC in coordination with KVIBs / DICs for PMEGP beneficiaries. In addition, Rural Industrial Consultancy Services (RICS)'s software package for project preparation of KVIC was extended to all training centres in the country for assisting potential beneficiaries to prepare project under PMEGP.

A separate provision is available under forward backward linkages for the purpose for use by KVIC. Further, KVIC issue guidelines in regard to utilization of funds for the purposes outlined in the backward and forward linkages by ensuring

proper documentation etc., from KVIBs and DICs. Proper account of the expenditure in this regard will be maintained by State/KVIBs/DICs and monitored by KVIC regularly.⁵ Thus, PMEGP through KVIC all over the country generating self-employment opportunities through establishment of micro enterprises including rural and agro industries by organizing traditional artisans and unemployed youth, helping in preventing their migration besides increasing their earning capacity.

Following table depicts the financial and physical performance of PMEGP since inception (2008-09 to 2012-13)

TABLE 4.3: Financial and Physical performance of PMEGP.

Year	Funds Allocated (Rs. in lakhs)	Fund Utilized (Rs. In Lakhs)	Employment Generation (in number)	Growth of Employment Generation (in percent)
2008-09	74000.00	35623.00	204747	
2009-10	50421.00	76244.00	424982	107.56
2010-11	87720.00	89118.00	480613	13.09
2011-12	101024.00	105784.00	495523	3.10
2012-13	122844.00	108066.00	428221	-13.58
2013-14	98836.38	107574.97	368545	-13.94

Source: <http://www.kviconline.gov.in/pmegp/>; www.indiastat.com

In the above table the growth performance of employment generation was praise-worthy in the first two years since inception of the programme but afterwards there is declining trend in the growth performance. The number of employed people increased in 2009-10 to 424982 from 204747 in 2008-09. Money margin utilized during the programme is in the rising position in accordance to the money margin allocation. Performance-wise the banks under the PMEGP were below the state average of 83.06 percent during 2008-09. The ratio of fiscal with the overall disbursement to sanction remained only 50.8 percent till 16 March 2010⁶. Around Rs 757 crore of unspent funds meant as margin money subsidy stock with the banks under the programme.

There is need for transparency and accountability, and a system of e-tracking of PMEGP applications has been made mandatory from 2014-15 onward. Under the

⁵ <http://www.kvic.org.in/PDF/PMEGPscheme.pdf>

⁶ http://www.business-standard.com/article/finance/12-banks-fail-to-achieve-pmegp-target-110031900004_1.html

proposed e-tracking of PMEGP applications, each applicant would be provided a unique online ID through which they could track the status of their PMEGP applications at various stages and find out the reasons why projects were rejected.

To ensure that applications are processed and sanctioned by banks in a time-bound manner, directions were issued to all stakeholders for ensuring that the application should be forwarded to the district-level task force committees (DTFCs) within 100 days, screened and submitted to the bank, sanctioned by the bank and the loan disbursed along with the release of margin money. For 2013-14, a minimum of 100 projects per district were allocated under the PMEGP. To monitor the working of the DTFC and improve the implementation of the scheme at the district level, an advisory committee has been constituted under the chairmanship of a Member of the Lok Sabha elected from the district.

Since the inception of the PMEGP in 2008-09, more than 221,000 new entrepreneurs have been assisted as on March 2013, over two million employment opportunities across the country created and Rs 5,037 crore released as margin money subsidy. The funds allocation increased by 23 per cent from Rs. 1037 crore in 2011-12 to Rs. 1276 crore in 2012-13.

The current position of the programme is noted that more than three lakh applications were received under the PMEGP in 2013-14, of which one lakh have been recommended by the DTFC to all banks. Of this, banks have approved 81,000 cases, involving a total margin money subsidy of Rs 1,879 crore. They have sanctioned 14,966 applications involving margin money of Rs 327 crore, and disbursed funds in around 6,000 cases. During the earlier years the targets set have been achieved, while physical verification of PMEGP units has revealed that 82 percent of the units that were set up are working successfully. It was remarked that if banks sanctioned even 72 per cent of project proposals, which is the observed trend under this programme, margin money of Rs 1,353 crore would be utilized during the year, and targets would be achieved. Recently, bankers were instructed to ensure sanction of pending proposals and settlement of pending claims to facilitate achievement of PMEGP targets for the year. All banks ask to process eligible cases

from among the remaining applications without the subsidy component, by covering them under the Collateral-free Credit Guarantee Scheme of the Ministry.⁷

The outlay for Twelfth Five Year Plan under PMEGP has been kept at Rs 8,060 crore which is 70 percent higher than the allocation of Eleventh Plan for the scheme. Thus, PMEGP till now performed well and shows a creative pattern of works to the rural areas.

Thus, the above discussed poverty alleviation programmes have been planned to disclose miscellaneous difficulties of rural poverty. These programmes are predetermined to deliver direct attack on rural poverty through providing work to the unemployed and deprived people. The motive of these programmes is to make people employed as well as provide them knowledge to work in future because the jobs in these programmes are not permanent in nature. They all are short term casual jobs usually for a period of 100 days or more. Micro credit-linked programmes provide a package of services including credit and subsidy to set up micro enterprises. Wage employment programmes address the issue of transient poverty. Successful implementation of these programmes requires an appropriate policy framework, adequate funds, and an effective delivery mechanism. Ultimately, the success of these programmes depends on the capability of the delivery system to absorb and utilize the funds in a cost-effective manner. Thus further we will discuss the regression analysis results to check the present working position of the above discussed programmes.

4.7 Results and Discussions

The variables used in the model are funds utilized during the programme and the total employment generated. Time series data were taken into consideration for each programme. The following table displays the regression coefficient, R^2 , computed t-value, degrees of freedom, and schemes model of three poverty alleviation programmes, *i.e.*, MGNREGA, SGSY and PMEGP for funds utilization on employment generation. In order to find the causal relationship between the employment generation and fund utilization, both linear and non-linear model was tried. The R^2 value and t-value put us to choose for log-linear model. The advantage of the log-linear model is that the co-efficient of the log-linear model gives the

7 http://www.business-standard.com/article/sme/banks-told-to-clear-proposals-pending-under-employment-generation-scheme-113123000967_1.html

respective elasticity value. Thus, the evaluation of the performance of these programmes, which can be represented as follows -

TABLE 4.4 - Results of all the three Programmes

Dependent Variable: lnEG*						
Independent Variable: lnFU**						
Schemes	MGNREGA		SGSY		PMEGP	
	Values	t-value	values	t-value	values	t-value
Constant	9.48	12.32	4.93	5.57	5.26	2.60
Coefficient	0.55	10.52	0.77	10.35	0.67	3.75
R²	0.9486		0.8993		0.7787	
Correlation (lnFU, lnEG)	0.9740		0.9483		0.8824	
Degree Of Freedom	6		12		4	
Scheme Model	lnEG= 9.48 + 0.55 lnFU		lnEG= 4.93 + 0.77 lnFU		lnEG= 5.26 + 0.67 lnFU	

Note: Degree of freedom is 6 significant at 5 percent of confidence interval;

*EG=Employment Generation; **FU= Funds Utilization

In simple log-linear regression, the size of the coefficient for each independent variable gives the size of the effect that variable is having on dependent variable, and the sign on the coefficient (positive or negative) gives the direction of the effect. Above in the table all the three programmes show positive effect of funds utilization on employment generation. The elasticity of employment generation in MGNREGA is 0.55 percent due to fund utilization. Thus, we can say that if there is 100 percent increase in funds utilization the employment generation will increase by 55 percent in MGNREGA programme. SGSY with 77 percent and PMEGP with 67 percent show elasticity in the employment generation. However, all the programmes show positive effect which concluded that fund utilization in these programmes has positive effect on the employment generation. The elasticity between the factors in SGSY found to be more than PMEGP and MGNREGA. So, regression coefficient is helpful in showing any additional change in funds utilization, we can expect employment generation to increase positively by an average of regression coefficient of the programmes.

In the log-linear regression with a single independent variable, it is the same as the square of the correlation between dependent and independent variable. Thus,

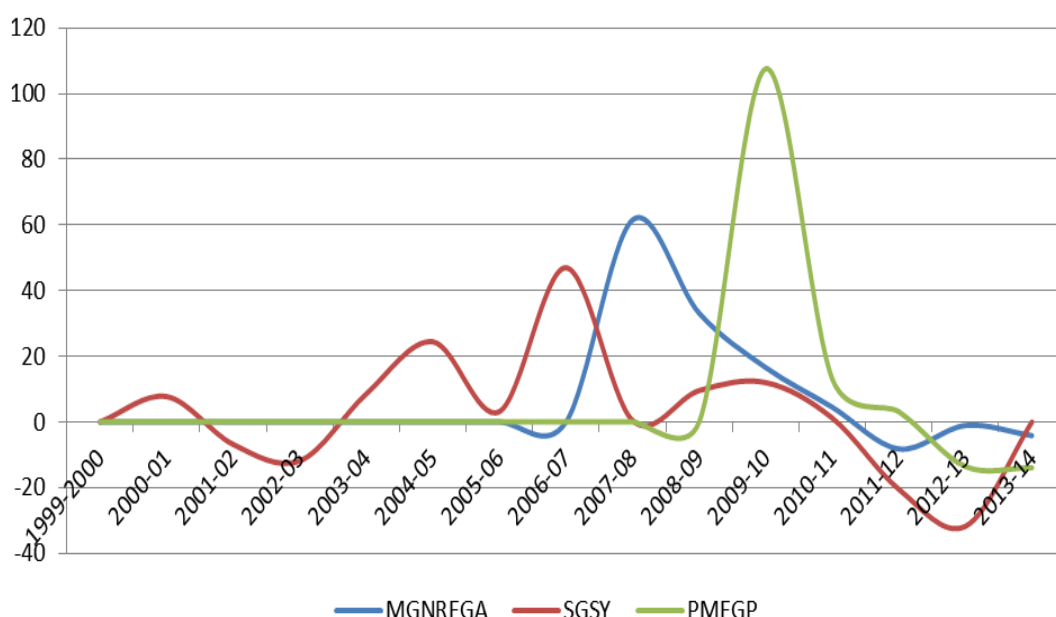
regression equation is showing the percentage of variation on the employment generation due to variations in funds utilization. R^2 of MGNREGA is 94.86 percent, SGSY is 89.93 percent and PMEGP is 77.87 percent. This indicates MGNREGA, with 94.86 percent of variation can be seen on employment generation due to funds utilized in the programme. Likewise in SGSY 89.93 percent and PMEGP 77.87 percent of variation could be seen on the employment level due to funds utilized in the programme. High R^2 values in all the three cases shows that the explanatory power of the model is good.

The correlation between the two factors (i.e. funds utilization and employment generation) seems to be sufficiently high degree of positive correlation. MGNREGA with 97.40 percent, SGSY with 94.83 percent and PMEGP with 88.24 percent shows a strong positive correlation between the two factors of the programmes.

We found the calculated t-value of MGNREGA 10.52, SGSY 10.35 and PMEGP 3.75 of all three programmes statistically significant so we will reject our null hypothesis. Hence, the above results evidence that our performance of the programmes is statistically significant. Thus, the performance of all three programmes seems to neglect our null hypothesis and shows the effect of fund utilized during the programme was successful in generating employment. So, we found our results in favour of alternative hypothesis. It means any change in funds makes a change in the employment generation.

From this study we conclude that selected rural poverty alleviation programmes have significant impact on employment generation. These programmes have improved the socio-economic conditions in the rural area through making people aware of different task prospects by indulging them in different types of work. MGNREGA found to be highly significant among three of the employment generating programmes. The results of all the three programmes show excellent performance at national level. Thus, we can state that the programme MGNREGA is more effective than other two programmes. The condition of poor people is changing due to these poverty alleviation programmes and employment is increasing during the activities of the programmes.

Figure 4 a. Growth Performance of Employment Generation Programmes



The above analysis shows that the programmes have emerged as an important supplement in India creating a linkage among government objectives and the target. Observing the above trend, we can conclude that these programmes can be better in future. The trend line shows ups and downs in the growth of the employment generation of the programmes. But this can be improved in future as till now the performance of the programmes is effective.

4.8 Conclusion

Although Growth, Development and Progress all these terms are frequently used synonymously in the planning literature, yet they give varied meanings in economic terms. Economic growth and social progress are not mutually interdependent but are originally related parts of a simple process of development. Development is a dynamic process by which the overall personality enhanced and the basic values underlying are human dignity, equality and social justice. These three concepts are not separate and distinct but interrelated and dependent on each other. Since the commencement of the five year plans, a number of rural employment programmes were implemented in the country so as to uplift rural poor from below poverty line. Among them, our selected rural employment programmes MGNREGA, SGSY and PMEGP were also implemented successfully in the country. All these

programmes have achieved the targets significantly in the beginning. But, later the declining trend of these programmes in generating employment indicates the disappointment in the country.

The achievement of these above-mentioned rural employment programmes revealed that the results were achieved significantly in spite of certain socio-economic and political limitations. This study has shown that these employment programmes have positive socio-economic effects but somewhere they can lack in their future scenarios. As according to the situation these programmes are like spoon--feeding to their employee. Once their consumption level increases due to the wages, they become helpless after the completion of the maximum guaranteed days of work fixed by the Government in the programme and again back to past situation. These people may also become habitual that they can wait for these kinds of programmes.

These programmes generate a virtuous redistributive effect, since the programme benefits enlarging to poor people are not limited to the wages directly paid by jobs created by the programme. Through the changes in the programme generated in the economy, the implementation of the programmes results in further creating employment in the rural areas (jobs that are likely to be taken by the poor people) supporting the benefits to poor people in rural areas and extending them to those in urban areas too. The increase in labour income generated by the new employment opportunities created by the programmes is small, but the small size of the induced changes is largely due to the still comparatively small size of the programme. As the economy expands and poor people improve their lot, the price of the commodities they consume is likely to be increased. This increase in poor household's cost of living is small and should not be a matter of concern, as the programme's benefits more than compensate for the increase in prices. However, for poor rural residents who do not get benefitted from the programme's jobs, even this small rise in the cost of living would be important.

Thus, the overall expansion of the Indian economy and enhancement of GDP growth over the years significantly contributed for enlarging employment throughout the country. From the above discussion following observations can be made: All three programmes have significant results which are able to show good impact on employment generation through fund utilized and the impact of the programmes could

be observed on employment. Thus, the performance of these programmes makes an effective move towards development.

Further, the effect of financial help made by Government could be seen on physical works given to the rural people. The employment generated through each programme had a definite bearing on poverty estimates. India lives in rural areas and there is need to render every effort to make the rural lives comfortable and lucrative. There is need to develop some more rural-centric works to enhance the rural infrastructure in terms of manpower. Thus, to make this pace, policymakers will have to improve delivery mechanisms, ensure proper distributions, maintain adequacy of funding and plug leakages to ensure sustainability of its positive impact.

CHAPTER - FIVE

PERFORMANCE OF EMPLOYMENT GENERATION PROGRAMMES AT REGIONAL LEVEL

The Constitution of India describes the country as ‘a Union of States’. The relationship between the Union and the States is a relationship between the whole body and its parts. For the body being healthy it is necessary that its parts are strong. The Union of India is the basis of the nationality of the people of the country, whereas States are but limbs of the Union, and while we recognize that the limbs must be healthy and strong, it is the strength and stability of the Union and its capacity to develop and evolve that should be governing consideration of all changes in the country.

5.1 Centre-States Relationship in India

The Constitution of India divides legislative authority between the Union and the States in three lists (listed under the Seventh Schedule prescribed in the Constitution under article 246) the Union List, the State List and the Concurrent List. The Union list consists of 99 items. The Union Parliament has exclusive authority to frame laws on subjects enumerated in the list. These include foreign affairs, defence, armed forces, communications, posts and telegraph, foreign trade etc. The State list consists of 61 subjects on which ordinarily the States alone can make laws. These include public order, police, administration of justice, prison, local governments, agriculture etc. The Concurrent list comprises of 52 items including criminal and civil procedure, marriage and divorce, economic and special planning trade unions, electricity, newspapers, books, education, population control and family planning etc.

The Indian Constitution is based on the principle that the executive power is co-extensive with legislative power, which means that the Union executive/the state executive can deal with all matters on which Parliament/state legislature can legislate. The executive power over subjects in the Concurrent list is also exercised by the states unless the Union government decides to do so. Articles 245 to 255 in Part XI of the Constitution describe the legislative relation between the Centre and States. The Parliament can make laws for the whole or any part of the territory of India. Territory of India includes the states, UTs and any other area for the time being included in the

territory of India. Whereas, the state legislature can make laws for whole or any part of state. The Centre can issue directives to the state to ensure compliance with the laws made by the Parliament. The Centre acquires control over states through All India Services, grants-in-aid of the revenues amongst the states out of the Consolidated Fund of India. The Indian Constitution provides for a number of mechanisms to promote cooperative federalism. Article 263 empowers the President to establish Inter-State Council to promote better coordination between the Centre and States. Inter-State Council was formally constituted in 1990. It is headed by the Prime Minister and includes six Cabinet ministers of the Union and Chief Ministers of all the states and union territories.

Besides sharing of taxes between the Centre and the States, the Constitution provides for Grants-in-aid to the States from the Central resources. There are following two types of grants -

1. Statutory Grants: These grants are given by the Parliament out of the Consolidated Fund of India to such States which are in need of assistance. Different States may be granted different sums. Specific grants are also given to promote the welfare of scheduled tribes in a state or to raise the level of administration of the Scheduled areas therein (Art.275).

2. Discretionary Grants: Centre provides certain grants to the states on the recommendations of the Planning Commission which are at the discretion of the Union Government. These grants are issued to help the state financially to fulfil plan targets (Article.282).

Although the Constitution has made an effort to allocate every possible source of revenue either to the Union or the States, but this allocation is quite broad based. For the purpose of allocation of certain sources of revenue, between the Union and the State Governments, the Constitution provides for the establishment of a Finance Commission under Article 280. According to the Constitution, the President of India is authorized to set up a Finance Commission every five years to make recommendation regarding distribution of financial resources between the Union and the States.

It is, subsequently, to be noted that Social Planning is one of the 52 subjects of the concurrent list. Both the Parliament and the State legislatures can make laws on subjects given in the Concurrent list, but the Centre has a prior and supreme claim to legislate on current subjects. In case of conflict between the law of the State and Union law on a subject in the Concurrent list, the law of the Parliament prevails. Residuary powers rest with the Union government. Parliament can also legislate on subjects in the State list if the Rajya Sabha passes a resolution by two-third majority that it is necessary to do so in the national interest.

Planning in India mainly started as a Central curriculum. Prof. D. R. Gadgil (Former Dy. Chairperson of the Planning Commission of India) has described the Indian Planning as one of the most centralised system of the world. The centralisation, sometimes, is justified by some arguments; one of the logics behind the need of centralisation is the need for uniformity and national stability.

The First Administrative Reforms Commission (FARC) is one of the most prominent commissions appointed by the Government of India which examined the Centre-State financial relations. The FARC highlighted the need of a new balance between the Central and States level requirements following the development since independence. In matters of finance and planning, the commission has recommended a comparatively greater role for States. It also recommended the realignment in the role of the planning commission and the finance commission.

A paradigm shift in the economic could be observed with the initiation of economic reforms in India. The economic reforms and other associated changes have affected the Indian economy in a number of ways. One such major repercussion is the greater role of the States in the economic development.

Some of the most difficult problems of the planning in a diverse country like India are formulation and implementation of a National Plan for the whole country and to obtain the consent and cooperation of both the central and the state governments. It is basically needed that the Centre should rationally fulfil the financial demands of the States. No state could develop inclusively if it doesn't get the Centre's plan assistance and resources. The States, on the contrary, also need to undertake several necessary measures for proper mobilisation and fruitful utilisation of resources.

The powerful and efficient control exercised by the Planning Commission through discretionary Central Assistance can help to rise not only the capital formation in the country, but also it could help to divert resources to comparatively backward states and to bring a measure of equalisation in standard of social services, poverty alleviation and economic development.

The ultimate goal of a state is to promote human welfare in the country. In the modern age state works as an agent of economic development, particularly in the underdeveloped countries. Unlike developed countries the developing economies are characterized by the low per capita income, poverty and starvation of masses, unemployment, poor money market and weak infrastructure. In such economies state has to adopt the policy of interference in all the economic activities of the public, so as to regulate and control them. Also, it is essential to attain maximum economic welfare in the society. The economic problems in underdeveloped countries are so complicated and important that they cannot be solved easily without state's cooperation. The private enterprises being profit-oriented cannot entirely be held responsible for promoting human welfare in the society. No state can work effectively towards its ultimate goal of promoting human welfare by ignoring economic activities of the individuals in the society. State's participation in all economic activities is, thus, essential for economic development, as also ensuring economic welfare and social justice in such countries. There is then need that the state must ensure the optimum utilization of the resources of the nation.

5.2 Province of States

Hundreds of years past there has been strong argument whether the state should follow a policy of non-intervention or it should actively participate in the economic sphere of state. It is a well-known fact that "political theory has been conditioned by environments." Since environment has been endlessly fluctuating, the political understandings about the extent and mode of state involvement in economic activity have also been changing. For example, anarchists believe in a denial of the state. On the other hand, the Communists believe that the state is a live and powerful instrument for the achievement of economic ends. To collectivists, the rights and privileges to the individuals should be distinguished from the overall interests of the society. They would justify all interference by the state if it helps to promote social

welfare. As against the ancient views about the state being a necessary evil, they regard the state as a very useful and desirable institution and want to give it vast and almost unlimited powers. Today the statesman places no limitation on the authority of state to intervene in the economic life of a nation. The sole criterion is whether state activity directly or indirectly is conducive to the benefit of the society.

We can, thus, conclude the modern views in the following words: “it came to be recognized that the state has duties other than the provision of an army and police, and that defense of quite a different kind was necessary. The community as a whole must unite to enforce right against might, to protect the economically weak against the economically strong, to prevent the exploitation of the poor by the rich, and to fight the evils of poverty and disease with their destructive effects upon the social and political order.

5.3 State Intervention in Underdeveloped Countries

On the question whether the state should intervene in underdeveloped countries or not, there are two schools of thought, broadly speaking: one believes in the word of Benjamin Higgins, that “nothing ails the underdeveloped countries but the inaptness of their governments; if this barrier were removed they would develop naturally without active intervention”. Even it is true that the developed countries were also underdeveloped at some stage; they developed mainly through the efforts of entrepreneurs without the Government intervention. Bauer also believes that “even in underdeveloped countries many individuals and firms are well able to recognize and take advantage of favourable market situations and development.” according to this school of thought, the decisions that making should be decentralized and individual preference should be given full expressions. This system is profitable, as it leads to arise in capital formation and incentive for innovation and investment. But the second school of thought, including economists and politicians do not agree with this view. They believe that the economic problems underdeveloped countries cannot be solved merely by free market forces. C. P. Kindelberger, in this regard observes: “Price system is capable of producing changes at the margin, the changes required in underdeveloped countries are structural, and not marginal, ergo the price system is inadequate to cope with problems of underdeveloped countries.”

The experience in under developed countries reveals the fact that the private investment decisions are not generally found very fruitful but when they are taken collectively as by the states, they give better results. The state can be a better caretaker of the public as a whole and it is also in a stronger position to face the risks involved. Thus, the state is bound to play a leading role in the economic development of underdeveloped countries.

5.4 Functions or Roles of Modern States

As regards the functions or role of modern states, various writers have presented different classification. J. S. Mill offered two – fold classification: necessary function providing security and justice; and optional functions including all other functions. Adam Smith in his book ‘Wealth of Nations’ pointed out three functions of the states: defending the society from the violence and injustice of other independent societies; securing internal justice between citizens; and originating and maintaining those public institutions and works, which though they may be in the highest degree advantageous to great society, could never repay the expenses to any individual.

A modern state may undertake the following functions as fairly and widely acceptable: defensive functions, administrative functions, to provide social security, economic functions (optimum utilization of national resources, economic stability, reduces economic disparities, increase economic growth). We further have points of state’s role with special attention on its function of accelerating economic growth. Thus, economic growth of the state can be accelerated through: ensuring economic stability and full employment, comprehensive planning, control over market force, provision of social and economic overheads, agricultural development, industrial development, and the entrepreneurial functions.

States are primarily responsible for major sectors such as health, education and employment which often involve large public expenditures. In addition, states also have access to central assistance to state plans and central plan funds through Central Sponsored Schemes (CSSs). To provide greater ownership to State Governments in implementation of Plan Schemes and avoid thin spreading of resources, model of restructured CSSs continues. Higher allocation under State/UT plan is reflective of this. Central assistance to state plans has three components, viz., normal central

assistance (NCA), additional central assistance for externally aided projects (ACA for EAP) and assistance for programmes based on specific criteria and guidelines. Assistance to the states under state plans is released as per the scheme of financing approved by the Planning Commission. Normal central assistance is the only 'untied' part of plan assistance, while ACA for EAP and programme linked assistance are both tied. The NCA's share in total central assistance for all states increased during 2002-03 to 2006-07 before declining gradually thereafter to 20.6 per cent in 2012-13 (41.4 per cent in 2006-07). So, nearly four-fifths (80 per cent) of all the central assistance to states was in the form of 'tied' assistance in 2012-13 as against around 65 per cent during 2002-03. Among all three components of plan assistance to the states, the share of special plan assistance was the highest at around 75 per cent in 2012-13 while that of ACA for EAPs was only around 5 percent.¹

Expenditures are provided broadly into two main categories for the states and for the country as a whole, namely, Developmental and Non-Developmental expenditure. According to 1991-92 estimates, the share of developmental expenditure in 1999-2000 has systematically declined to about 57.3 percent from a high of 63.3 percent in 1991-92, the budget estimates in 2013-14 is Rs. 11918.20 billion. In 2013-2014 in state development expenditure of non-special category, Bihar budget estimate is Rs. 619.10 billion, Uttar Pradesh Rs. 1225.70 billion, and Gujarat Rs. 741.0 billion, Maharashtra Rs. 1219.90 billion; whereas the share of non-developmental expenditure increased from 24.9 percent in 1991-92 to 33.4 percent in 1999-2000 and in 2013-14 the budget estimate for non-developmental expenditure was Rs. 5,386.8 billion.

The budget heads of rural and urban development are included in developmental expenditure. Special category states continue to get external assistance from the Centre at the earlier loan-grant ratio of 10:90. Over the years, the central government has introduced several CSS in areas of national priority such as health, education, agriculture, skill development, employment, urban development and rural infrastructure. While the primary responsibility for developing several of these sectors vests with the state governments, the central government extends support to state governments through CSS which cover education and health, among others. The CSS are operationalized by the central ministries based on scheme-specific guidelines and

1 <http://rbidocs.rbi.org.in/rdocs/Publications/PDFs/2ISPER200114.pdf>

are largely funded by the central government, with state governments having to make a defined contribution.

These schemes are implemented by state governments or their designated agencies. Some of the issues raised by the states in the past relating to the operation of CSS include: (i) inability of some states to provide counterpart funds to access the funds under CSS; (ii) lack of flexibility in implementing CSS, and the resultant need to provide for flexibility in norms (both in physical and financial terms) taking into account state specific requirements and to ensure effective convergence between schemes run by the states and CSS in the same sector; (iii) thin spread of resources due to proliferation in the number of schemes; (iv) lack of transparency in guidelines relating to transfer/release of funds under the schemes; and (v) difficulty in effective monitoring of final use of funds under CSS, particularly in the case of funds released directly to various societies. The Committee on Restructuring of Centrally Sponsored Schemes (Chairman: Shri B.K. Chaturvedi), which was set up by the Planning Commission in April 2011, looked into the working of CSS with a view to enhancing their flexibility, scale and efficiency. In its Report submitted in September 2011, the Committee recommended that the total number of CSS be reduced to 59 so as to increase the efficiency of these schemes towards serving the desired objectives. It categorized the proposed restructured schemes into nine flagship programmes, 38 sub-sectoral schemes and 13 umbrella schemes. The National Development Council (NDC), while approving the Twelfth plan in its meeting in December 2012, had also recommended building flexibility in the schemes to suit the requirements of the state governments.

5.5 Observation of the Progress of Poverty Alleviation Programmes in the Selected Five States of India

Large economies need not necessarily be vibrant economies as well. While the size does matter, other factors like income generation, capacity, earnings, productivity, and market development determine the level of vibrancy. Economically Maharashtra holds peak position which is followed by Tamil Nadu, Delhi and Gujarat. Uttar Pradesh, which is second in terms of GDP, gets pushed down to 11th position. Haryana besides relegating Punjab to lower position, also scores over larger Karnataka, mainly on account of income generation capacity. West Bengal has low

GDP rate of growth but holds on ahead of Karnataka and Kerala, mainly on account of its size. With the exception of Assam, the economies of the North Eastern states are not only small, but are also less vibrant, underlining the need for more investments in economic infrastructure.

As per the Economic Survey data of 2013-14 the growth of gross domestic product (GDP) at factor cost at constant 2004-05 prices declined from 8.9 per cent in 2010-11 to 6.7 per cent in 2011-12 and further to 4.5 per cent in 2012-13. There was a marginal improvement in 2013-14 with GDP growing at 4.7 per cent.² India's per capita income (nominal) was Rs. 97716.80 in 2013, ranked at 120th out of 164 countries by the World Bank. In 2013-14, Assam per capita income at current prices Rs. 46354 crores, Delhi with the highest per capita income state with Rs. 219979 crore,

There are limited tools in the hands of funding agencies in facilitating utilization, like the design of the scheme (to eliminate disincentives for utilization), the actual transfer mechanism, and the timing. In terms of design, when one is considering conditional transfers which all the schemes under examination are, it is almost tautological to observe that the more conditions there are, and the more difficult they are to meet, the less would be the utilization. For example, a specific-purpose transfer without any matching requirement is likely to be utilized to a higher extent than one with such a requirement. Similarly, the transfer mechanism can also influence utilization; in times of resource constraints, grants on a reimbursable basis have less chance of high utilization than those provided at least partly on advance basis. The importance of timing of transfers hardly needs an explanation: it is sufficient to state that grants received at the far end of the year have little chance of getting spent usefully within that year.³

There is a periodical change in states. All the states in India somewhere have the problem of extreme weather; generally in the north-eastern states of India, it is the monsoon season that is characterized by heavy rainfall and in the states of Jammu &

2 <http://www.indiabudget.nic.in/ub2014-15/frbm/frbm1.pdf>

3 Gupta, Manish. Mukherjee, Anit. Sen, Tapas K. & Srinivasan, R. (October 2011). *Improving Effectiveness and Utilization of Funds for Selected Schemes through Suitable Changes in Timing and Pattern of Releases by the Centre: A Report of Research Project sponsored by the Planning Commission New Delhi of India*. New Delhi. National Institute of Public Finance and Policy.

Kashmir (excluding the relatively lower areas of Jammu), Sikkim and northern parts of Arunachal Pradesh, it is the winter with heavy snowfall. Whereas, in other parts of India extreme winter and extreme summer season is intolerable and is a big hindrance in development. During these months of extreme weather, developmental work is substantially hampered, and funds received cannot be gainfully employed.

The rural poor in India are highly concentrated in the states of the country, viz., Uttar Pradesh, Uttarakhand, Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, West Bengal, Maharashtra and Orissa. The poor from these nine states together account for nearly 76.2 percent of the total rural poor in India in 2004-05 as compared to 62.3 percent in 1973-74. The concentration of poor has increased in these states.⁴

India is vast and diverse. We examine available data of randomly selected states with respect to the selected schemes to draw inferences about the suitability. But before examining the data, we have presented a brief description of the selected states. The regression analysis is followed for each of the schemes analyzed, with some variations due primarily to availability of data and sometimes the nature of the scheme. The scope of the present study has been limited to five states (i.e. Bihar, Madhya Pradesh, Uttar Pradesh, Gujarat and Maharashtra) of India. In which three states i.e. Bihar, Madhya Pradesh and Uttar Pradesh are from BIMARU. These states were chosen on the basis of per capita income. The states with high per capita income are- Gujarat and Maharashtra and the low per capita states are- Bihar, Madhya Pradesh, and Uttar Pradesh. These states were also chosen on the basis of availability of data for each scheme.

For the analysis of performance of poverty alleviation programmes in the selected states of India, we have selected three employment generation programmes, namely- MGNREGA, SGSY and PMEGP. The same three schemes have been analyzed for the national level analysis in the previous chapter. The data used in the present study are secondary. Year for each scheme is different, based on their implementation period (since inception till recent as per the data availability). Now, we will analyze state-wise financial and physical growth performance of the schemes.

4 Jha, Dr. Shree Chandra. (2013). Poverty, Unemployment and National Rural Livelihood Mission (NRLM). Abhijeet Publication. New Delhi.

Bihar

Bihar is located in the eastern part of the country. It is the 12th largest state in terms of geographical size of 94,163.00 square kilometers. The rural area is 92,257.51 square kilometers and urban area is 1,095.49 square kilometers. It is bounded by Uttar Pradesh, Nepal, the northern part of West Bengal, and by Jharkhand. The Bihar plain is divided into two parts by the river Ganges which flows from west to east. Bihar has forest area of 6,764.14 km², which is 7.2 percent of its geographical area. In 2000, southern Bihar was separated from Bihar to form the new state, named as 'Jharkhand'. Close to 85 percent of the population lives in villages. As per the 2011 Census, Bihar was the third most populated state of India with total population of 103804637 (54185347 male and 49619290 female). The density was 1,102 per square kilometers. The sex ratio was 916 females per 1000 males. Bihar was a center of power, learning and culture in ancient and classical India. Since the late 1970s, Bihar has lagged behind other Indian states in terms of its social and economic development. Economists and social scientists claimed that this was a direct result of the policies of the central government, such as the Freight equalization policy, its apathy towards Bihar, lack of Bihari sub-nationalism (resulting in no spokesperson for the state), and the Permanent Settlement of 1793 by the British East India Company. The state government has however made significant strides in developing the state. The improved governance has led to an economic revival in the state through increased investment in infrastructure, better health care facilities, greater emphasis on education, and a diminution in crime and corruption. Gross state domestic product of Bihar for the year 2011-12 has been around Rs. 2622.30 billion. By sectors, its composition is: Agriculture = 22 percent, Industry = 5 percent and Services = 73 percent. The economy of Bihar is largely service-oriented, but it has a significant agricultural base. The state also has a small industrial sector. More recently, Bihar's state GDP recorded a very high growth (in the excess of 10 percent), making Bihar the fastest growing major state of India.⁵ However, only few years ago Bihar used to be one of the slow growing states of the country. The per capita income of Bihar not

5 <http://gov.bih.nic.in/Profile/default.htm>

Report on the Bihar State Strategic Statistical Plan by the Government of India. Directorate of Economics and Statistics 2010.

only deteriorated during the 1990s but actually showed dwindling during some of the years. Bihar's per capita income, which was approximately 60 percent of the Indian average during the 1960s, declined to approximately 40 percent in 1993-94, and further to about 30 per cent during 2003-04. With per capita income of Rs 30,930, Bihar has been narrowing down the gap in a big way with the national average, according to the latest economic survey (2013-14). The ratio of Bihar's per capita income to All India has increased to 41.18 percent in 2012-13 over 37.18 percent in 2011-12. The rate of growth has more than doubled during 2006-2013 as compared to period 1999-2005-06. During 1999-2005-06, the state income at constant prices grew at an annual rate of 5.7 percent. After that, the economy witnessed a turnaround and grew at an annual rate of 12 percent. The rate of growth achieved by the economy during 2006-2013 is not only much higher, but one of the highest among all Indian states.

In respect of other social and human development indicators, still the state's performance has been poor. One of the long standing problems in Bihar's economy has been lack of economic diversification; more than 80 percent of the rural population is engaged in the agriculture sector. The NSSO data show that wage employment in agricultural labour in Bihar is around 40 percent and constituted the dominant occupation in rural areas of Bihar implying that there is still very limited occupational opportunity outside the agricultural sector in rural Bihar. Even though Bihar is considered as the state which is having the lowest per capita income in the country at Rs 5,772 against the national average of Rs 22,946; Patna recorded a per capita of Rs 30,441. The per capita level for 2007 was higher than Bangalore or Hyderabad. The level of urbanization (10.5 percent) is below the national average (27.78 percent). Urban poverty in Bihar (32.91 percent) is above the national average of 23.62 percent in 2006-07.

There are numerous central as well as state level schemes implemented by the Government to solve the various problems of the state Bihar. As we have already discussed the scheme of national level, some of the state level schemes are: Mukhyamantri Balika Poshak Yojana, Mukhyamantri Balika Cycle Yojana, Mukhyamantri Kanya Suraksha Yojana, Mukhyamantri Kanya Vivah Yojna, Mukhyamantri Awas Yojana, Mukhyamantri Zila Vikas Yojana, Mukhyamantri Gram

Sadak Yojana, Mukhyamantri Setu Nirman Yojana, Mukhyamantri Tivra Beej Vistar Yojana, Samudai Adharit Samanvit Van Prabandhan Evam Sanrakshan Yojana of Bihar State, Jawahar Gram Samriddhi Yojna, National Health Insurance Scheme, Mamta Scheme, Aam Aadmi Bima Yojana, Vidya Sagar Project, Welfare Schemes, MP Local Area Development Scheme, Community Development, Basic Minimum Services, Minority welfare schemes, Flood protection schemes etc.

Further, to observe the national schemes performance in Bihar state, we examine the financial and physical factors of the selected scheme: MGNREGA, SGSY and PMEGP in Bihar. The tables provided below show the data related with performance and progress of these above mentioned employment generation schemes. Each table displays the percentage growth of employment generation in the state through that particular scheme.

TABLE 5.1: Performance of MGNREGA in Bihar

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
2006-07	119117.81	71280.09	60310	-
2007-08	152531.45	105277.21	52825	-12.41
2008-09	209647.95	131637.94	102597	94.22
2009-10	221359.34	181691.75	282797	175.63
2010-11	327056.38	266420.13	284063	0.45
2011-12	157536.14	147501.08	170227	-40.07
2012-13	249466.66	158012.18	180613	6.10
2013-14	266317.90	195717.02	123540	-31.59
2014-15*	148473.36	71861.10	19454	-84.25

Source: www.mgnrega.in/Bihar; www.indiastat.com. *data till October 2014

Above table illustrates the condition of MGNREGA in Bihar. Data were available from the year 2006-07 to 2013-14 and 2014-15 data is available till October 2014. We do not consider the 2014-15 data in our analysis. The performance of physical and financial factors of MGNREGA in Bihar was taken into consideration. The table majorly clears the growth of employment that was provided to the people at the given period. Growth of employment generation shows wide variations. The overall performance on the basis of growth percentage is quite well. But, the declining

performance in past years also makes this feel that the employment generated in Bihar still needs significant improvements. This was expected to have an impact on the migration situation in the state. Cash transfers may be unfairly biased against the poor in the state. Poor administrative machinery at the lower level coupled with high levels of corruption made implementation of targeted schemes difficult.

TABLE 5.2: Performance of SGSY in Bihar

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
1999-2000	2037456.00	1006816.00	106393	-
2000-01	1261676.00	998451.00	125792	18.23
2001-02	730000.00	1060077.00	146925	16.79
2002-03	730000.00	1082376.00	123546	-15.91
2003-04	1008497.00	1121649.00	111613	-9.66
2004-05	1262379.00	1344298.00	128075	14.75
2005-06	1262379.00	1587541.00	132840	3.72
2006-07	1399830.00	1552333.00	109350	-17.68
2007-08	2136317.00	1511473.00	100159	-8.40
2008-09	2525554.00	2016892.00	127226	27.02
2009-10	2589900.00	3050410.00	157801	24.03
2010-11	2987200.00	2733428.00	162009	2.67
2011-12	2729100.00	1463925.00	135426	-16.41
2012-13	2764900.00	699.00	3065	-97.74

Source: www.indiastat.com.

The above table illustrates the SGSY/Aajeevika programme condition in Bihar. Data were available from the year 1999-2000 to 2012-13. The physical and financial factors of SGSY scheme in Bihar were taken into consideration. The table clears the picture of the growth of employment that was provided to the people at the given period. Growth of employment generation shows variations. Sometimes the growth percentage is negative and sometimes positive but the overall performance is remarkable. SGSY till these years have lots of modification according to the demands of the society.

TABLE 5.3: Performance of PMEGP in Bihar.

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
2008-09	5152.18	183.26	916	-
2009-10	900.00	1123.50	5112	458.08
2010-11	3504.32	3207.20	8316	62.68
2011-12	7417.00	9873.73	35193	323.20
2012-13	7234.44	7669.08	19106	-45.71
2013-14	8136.60	7725.19	20043	4.90

Source: www.indiastat.com.

Above table illustrates the PMEGP programme condition in Bihar. Data of the programme were available from the year 2008-09 to 2013-14. The physical and financial factors were taken into consideration to examine the performance of the programme PMEGP in Bihar. The table shows the growth of employment that was provided to the people at the given period. Growth of employment generation in Bihar is tremendous. The programme is performing well.

Thus, if we examine overall performance of programmes in Bihar, it can be analyzed that the data depict a positive picture in Bihar. These programmes are making impact in the Bihar state. Above results show the positivity of the programmes in providing employment to the poor of Bihar. The growth of employment generation overall is remarkable. In fact, in reality also this considers to be true as Bihar improved a lot and it is one of the fastest growing states.

Gujarat

Gujarat is a state in the western part of India, known locally as Jewel of the West. It has an area of 196,024 km square with a coastline of 1,600 km, most of which lays on the Kathiawar peninsula and a population in excess of 60 million. In terms of area Gujarat ranked 6th and in terms of population 9th in India. The population of Gujarat State was 60,383,628 according to the 2011 census data. The population density is 308 km square, lower than other Indian states. As per the census of 2011, the state has a sex ratio of 918 girls for every 1000 boys, one of the lowest (ranked 24) amongst the 29 states in India. The state is bordered by Rajasthan,

Maharashtra, Madhya Pradesh, and the Arabian Sea as well as the Pakistani province of Sindh. Its capital city is Gandhinagar, while its largest city is Ahmedabad. Gujarat is home to the Gujarati-speaking people of India.⁶ Literacy rate in Gujarat has seen upward trend and is 79.31 percent as per 2011 population census. Of that, male literacy stands at 87.23 percent while female literacy is at 70.73 percent. Ahmedabad is the most populated District in the State, with 7.20 million people, up 11.94 percent from 2001, followed by Surat with 6.07 million people, up 10.07 percent, as per Gujarat's Directorate of census operations. Urban Population of the State is 42.6 percent, which used to be at 37.4 percent in 2001. Rural population in the state in 2011 fell to 57.4 percent from 62.6 percent in 2001. Gujarat initiated a state level programme named Gokul Gram Yojana 1995-96 which was designed to provide basic infrastructure, such as all-weather approach roads, drinking water, construction of village ponds with bathing Ghats, construction of primary school rooms, community halls, community work sheds and village afforestation to all villages within a time frame of five years.

The tables provided below show the data related with performance and progress of the above mentioned employment generation schemes, namely – MGNREGA, SGSY and PMEGP in Gujarat. Each table displays the percentage growth of employment generation in the state through that particular scheme.

TABLE 5.4: Performance of MGNREGA in Gujarat

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
2006-07	12374.74	8585.59	12208	-
2007-08	12680.45	8183.96	11416	-6.49
2008-09	28124.42	19599.91	49160	330.62
2009-10	94529.12	73931.22	103752	111.05
2010-11	126945.04	78820.18	67653	-34.79
2011-12	92616.36	64951.85	41767	-38.26
2012-13	88475.68	58854.02	52316	25.26
2013-14	62543.71	48415.08	29323	-43.95
2014-15*	41389.59	33509.01	5930	-79.78

Source: www.mgnrega.in/ Gujarat; www.indiastat.com. *data available till October 2014

6 <http://www.gujaratindia.com/>

The above table illustrates the MGNREGA condition in Gujarat. Data were available from the year 2006-07 to 2014-15. We do not consider the 2014-15 data in our regression analysis. The physical and financial factors were taken into consideration. The table majorly clears the growth of employment that was provided to the people at the given period. Growth of employment generation shows variations and accordingly MGNREGA is performing better in Gujarat.

TABLE 5.5: Performance of SGSY in Gujarat

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
1999-2000	234115.00	244803.00	19341	
2000-01	199615.00	315756.00	29241	51.19
2001-02	115496.00	234905.00	20963	-28.31
2002-03	115496.00	200646.00	18132	-13.50
2003-04	159558.00	241512.00	21462	18.37
2004-05	199727.00	281463.00	27457	27.93
2005-06	199727.00	285707.00	30948	12.71
2006-07	221670.00	284660.00	27237	-11.99
2007-08	338031.00	435163.00	45189	65.91
2008-09	399620.00	517956.00	41728	-7.66
2009-10	409800.00	621622.00	46131	10.55
2010-11	472700.00	694944.00	46820	1.49
2011-12	431800.00	531670.00	30267	-35.35
2012-13	437500.00	804057.00	23194	-23.37

Source: www.indiastat.com.

The above table illustrates the SGSY programme condition in Gujarat. Data were available from the year 1999-2000 to 2012-13. The physical and financial factors were taken into consideration. The table majorly clears the growth of employment that was provided to the people at the given period. Growth of employment generation shows wide variations. SGSY performance in Gujarat seems satisfactory.

TABLE 5.6: Performance of PMEGP in Gujarat

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
2008-09	3474.30	660.25	2945	-
2009-10	234.52	2784.71	12643	329.30
2010-11	3042.54	4157.65	16483	30.37
2011-12	6101.97	6147.35	18662	13.22
2012-13	5640.48	3304.67	11095	-40.55
2013-14	2522.22	4401.80	13420	20.96

Source: www.indiastat.com.

The above table illustrates the PMEGP programme condition in Gujarat. Data were available from the year 2008-09 to 2013-14. The physical and financial factors were taken into consideration. The table displays the growth of employment that was provided to the people at the given period. Growth of employment generation shows variations which are positive for the state.

Thus, if we examine Gujarat, we can visualize that the data are drawing a positive picture in Gujarat. These programmes are making positive impact in Gujarat. Above results show the positivity of the programmes in providing employment to the poor section of Gujarat. Only SGSY is not good in attracting employment growth but cannot be said bad for the state.

Madhya Pradesh

Madhya Pradesh (M.P.) literally “Central Province” is a state in Central India. The capital of M.P. is Bhopal. M.P. is nicknamed as the “Heart of India” due to its geographical location in India. Area-wise M.P. is the second largest state of the country. With over 75 million habitants it is the sixth largest state in India by population. The volume of rural population of this state is more than the total population of South Africa or Canada while the poor population is more than the total population of Australia and Sri Lanka. It borders the state of Uttar Pradesh, Chhattisgarh, Maharashtra, Gujarat and Rajasthan. This was known to be the largest state till 2000 but later Chhattisgarh region was a separate state. M.P. is home to a large tribal population who has been largely cut off from the mainstream development. This makes M.P. one of the least developed states in India. M.P’s gross

state domestic product (nominal GDP) for 2010-11 was Rs. 2600 billion. The per capita figure was US \$583 is the fourth lowest in the country. A high degree of disguised unemployment is found in agriculture sector. Within Indian states M.P. falls under the category of extremely poor states having 37.43 percent poor population and stands third after Orissa (First, 48.01 percent) and Bihar (Second, 44.30 percent).

The tables furnished below show the data related with performance and progress of the above mentioned employment generation schemes, namely – MGNREGA, SGSY and PMEGP in Madhya Pradesh. Each table displays the percentage growth of employment generation in the state through that particular scheme.

TABLE 5.7: Performance of MGNREGA in Madhya Pradesh

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
2006-07	21336836.00	18627058.00	531556	-
2007-08	32884841.00	28915640.69	922107	73.47
2008-09	48443232.00	35547643.64	979026	6.17
2009-10	55686865.00	37221100.57	678717	-30.67
2010-11	51386098.00	36371080.16	467119	-31.18
2011-12	48822884.00	33980727.26	304477	-34.82
2012-13	35774508.00	24945564.43	196329	-35.52
2013-14	27024687.00	26438251.29	174991	-10.87
2014-15*	23287080.00	2248833.32	112864	-35.50

Source: [www.mgnrega.in/Madhya Pradesh](http://www.mgnrega.in/Madhya%20Pradesh); www.indiastat.com. *Data were available till October 2014.

Above table illustrate the MGNREGA condition in Madhya Pradesh. Data were available from the year 2006-07 to 2014-15. We do not consider the 2014-15 data in our regression analysis. The physical and financial factors were taken into consideration. The table exhibits the growth of employment generation at the given period. As per the data the growth of employment generation in MGNRGA seems to be ineffective in Madhya Pradesh poor condition.

TABLE 5.8: Performance of SGSY in Madhya Pradesh

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
1999-2000	1032733.00	991836.00	112118	-
2000-01	600458.00	933072.00	71823	-35.94
2001-02	347422.00	758371.00	63910	-11.02
2002-03	347422.00	740290.00	51907	-18.78
2003-04	479965.00	704011.00	41979	-19.13
2004-05	600791.00	759217.00	48777	16.19
2005-06	600791.00	860034.00	56456	15.74
2006-07	666405.00	931678.00	59781	5.89
2007-08	1016706.00	1318235.00	73091	22.26
2008-09	1201950.00	1685866.00	99200	35.72
2009-10	1232500.00	1569017.00	106481	7.34
2010-11	1421400.00	1792616.00	97761	-8.19
2011-12	1298600.00	1481033.00	88860	-9.10
2012-13	1315600.00	1414223.00	57953	-34.78

Source: www.indiastat.com.

Above table illustrate the SGSY programme condition in Madhya Pradesh. Data ranges between the years 1999-2000 to 2012-13. The physical and financial factors were taken into consideration. The growth of employment generation in Madhya Pradesh shows slight positive impact.

TABLE 5.9: Performance of PMEGP in Madhya Pradesh

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
2008-09	3695.85	982.09	3297	-
2009-10	709.00	3295.87	12294	272.88
2010-11	5440.13	5195.12	17467	42.08
2011-12	5172.54	5419.41	16256	-6.93
2012-13	9831.73	9097.43	26605	63.66
2013-14	9038.13	7981.76	19449	-26.90

Source: www.indiastat.com.

The above table illustrates the PMEGP programme condition in Madhya Pradesh. Data were available from the year 2008-09 to 2013-14. The physical and

financial factors were taken into consideration. PMEGP activities are performing well in Madhya Pradesh. The people are getting employment opportunities through this programme.

Thus, if we examine the progress of the above mentioned schemes in Madhya Pradesh we can analyze that the data show a positive picture here. These programmes are making positive impact in Madhya Pradesh except MGNREGA. Above performance of growth show the positivity of the programmes in providing employment to the poorer section of Madhya Pradesh.

Maharashtra

Maharashtra is a state in the western region of India. This state is the second-most populous state in the nation as well as in the world. It has over 110 million inhabitants and its capital, Mumbai, has a population of approximately 15.2 million. Mumbai is also the financial capital of the nation. Maharashtra's business opportunities along with its potential to offer a higher standard of living attract migrants from all over India. Maharashtra is one of the wealthiest and the most developed states in India. According to 2010–11 estimates, Maharashtra is contributing 25 percent of the country's industrial output and 23.2 percent of its GDP. As of 2011, the state had a per capita income of Rs. 1.0035 lakh (US\$1,600), which is more than the national average of Rs. 0.73 lakh (US\$1,200). Its GDP per capita crossed the Rs. 1.20 lakh (US\$1,900) threshold for the first time in 2013, making it one of the richest states in India. Agriculture and industries are the largest parts of the state's economy. Major industries include chemical products, electrical and non-electrical machinery, textiles, petroleum and allied products. According to the provisional results of the 2011 national census, Maharashtra is the second most populous state in India with a population of 112,374,333 (9.28 percent of India's population) of which male and female are 58,243,056 and 54,131,277 respectively. The total population growth in 2011 was 15.99 percent while in the previous decade it was 22.57 percent. Since independence, the decadal growth rate of population has remained higher (except in the year 1971) than the national average. For the first time, in the year 2011, it was been found to be lower than the national average. The 2011

census for the state found 55 percent of the population to be rural with 45 percent being urban based.⁷

The tables below show the data related with performance and progress of the above mentioned employment generation schemes, namely – MGNREGA, SGSY and PMEGP in Maharashtra. Each table displays the percentage growth of employment generation in the state through that particular scheme.

TABLE 5.10: Performance of MGNREGA in Maharashtra

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
2006-07	48693.66	17461.55	5341	
2007-08	49783.33	18907.71	8349	56.32
2008-09	63651.40	36154.00	32510	289.39
2009-10	61544.38	32563.13	22630	-30.39
2010-11	59544.27	35809.92	28240	24.79
2011-12	144771.33	158814.15	197185	598.25
2012-13	245365.15	208560.38	231211	17.26
2013-14	193772.64	126785.44	122124	-47.18
2014-15*	89852.60	89583.04	76098	-37.69

Source: www.mgnrega.in/Maharashtra; www.indiastat.com. *Data were available till October 2014.

The above table illustrates the condition of MGNREGA in Maharashtra. Data were available from the year 2006-07 to 2014-15. We do not consider the 2014-15 data in our regression analysis. The physical and financial factors were taken into consideration. The table majorly portrays the picture of the growth of employment that was provided to the people at the given period. The growth level seems to show good performance in the state.

7 <http://en.wikipedia.org/wiki/Maharashtra>

TABLE 5.11: Performance of SGSY in Maharashtra

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
1999-2000	9284.11	1025728.00	87994	-
2000-01	7915.98	1133389.00	87998	0.01
2001-02	4580.15	1028829.00	70602	-19.77
2002-03	4580.15	823925.00	55442	-21.47
2003-04	6327.49	880551.00	60451	9.03
2004-05	7920.39	1064414.00	70146	16.04
2005-06	7920.39	1081238.00	73839	5.26
2006-07	8784.83	1260868.00	84707	14.72
2007-08	13405.01	1823764.00	119344	40.89
2008-09	15848.40	2157110.00	154647	29.58
2009-10	16251.00	2265918.00	159026	2.83
2010-11	18744.00	2206739.00	159855	0.52
2011-12	17125.00	2308034.00	152429	-4.65
2012-13	17349.00	939215.00	32958	-78.38

Source: www.indiastat.com.

The above table illustrates the SGSY programme condition in Maharashtra. Data were available from the year 1999-2000 to 2012-13. The physical and financial factors were taken into consideration. The table shows the growth of employment that was provided to the people at the given period. The performance of the programmes is appreciable.

TABLE 5.12: Performance of PMEGP in Maharashtra

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
2008-09	6642.23	3136.25	13041	-
2009-10	3150.15	5624.96	21961	68.40
2010-11	4793.82	6193.48	36592	66.62
2011-12	4730.07	4548.95	24661	-32.61
2012-13	6875.19	6794.14	18112	-26.56
2013-14	4327.19	4737.63	14869	-17.91

Source: www.indiastat.com.

The above table illustrates the PMEGP programme condition in Maharashtra. Data were available from the year 2008-09 to 2013-14. The physical and financial factors were taken into consideration. The table majorly clears the growth of employment that was provided to the people at the given period. The performance of PMEGP is not good, not even bad in Maharashtra. The performance is recoverable when some attention is provided to the programme.

Thus, if we examine the programmes in Maharashtra, it can be analyzed that the data show a positive picture. These programmes are making positive impact in Maharashtra except PMEGP. Above results show the positivity of the programmes in providing employment to the poor section of the state. The results show a positive change and fairly improvement in the state.

Uttar Pradesh

Uttar Pradesh (U.P.) is a state located in northern India. It was created on 1 April 1937 as the United Provinces, and was renamed Uttar Pradesh in 1950. Lucknow is the administrative capital of Uttar Pradesh. Ghaziabad, Kanpur, Moradabad, Aligarh, and Varanasi are known for their industrial importance in the state as well as in India. On 9 November 2000, a new state, Uttarakhand, was carved out from the Himalayan hill region of Uttar Pradesh. The state is bordered by Rajasthan, Haryana and Delhi, Uttarakhand and the country of Nepal, Bihar, Jharkhand, Chhattisgarh and Madhya Pradesh. It covers 93,933 square miles (243,290 km²), equal to 6.88 percent of the total area of India, and is the fourth largest Indian state by area. With over 200 million inhabitants in 2011, it is the most populous state in the country as well as the most populous country subdivision in the world. Hindi is the official and most widely spoken language in its 75 districts. Uttar Pradesh is the fourth largest Indian state by economy, with a GDP of Rs. 7080 billion (US\$110 billion). Agriculture and service industries are the largest parts of the state's economy. Uttar Pradesh has more metropolitan cities than any other state in India. The absolute urban population of the state is 44.4 million, which constitutes 11.8 percent of the total urban population of India, the second highest of any state. According to the 2011 census, there are 15 urban agglomerations with a population greater than 500,000. Uttar Pradesh has a large population and a high population growth rate. From 1991 to 2001 its population increased by over 26 percent. Uttar Pradesh is the most populous

state in India, with 199,581,477 people on 1 March 2011. The state contributes 16.16 percent of India's population. The population density is 828 people per square kilometer, and it is counted in the largest density among the states of the country. The sex ratio in 2011, at 908 women to 1000 men, was lower than the national figure of 933. The state's 2001–2011 decennial growth rate (including Uttarakhand) was 20.09 percent, higher than the national rate of 17.64 percent. Uttar Pradesh has a large number of people living below the poverty line. Estimates released by the Planning Commission for the year 2009-10 revealed that Uttar Pradesh had 59 million people below the poverty line, the most for any state in India.

The tables below clears the data related with performance and progress of the above mentioned employment generation schemes, namely – MGNREGA, SGSY and PMEGP in Uttar Pradesh. Each table displays the percentage growth of employment generation in the state through that particular scheme.

TABLE 5.13: Performance of MGNREGA in Uttar Pradesh

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
2006-07	102871.23	77966.11	154953	-
2007-08	222726.19	189829.54	436032	181.40
2008-09	459331.02	356900.20	647525	48.50
2009-10	682059.24	589981.24	796929	23.07
2010-11	690185.48	563122.33	600559	-24.64
2011-12	622467.24	506252.61	309033	-48.54
2012-13	333611.86	248273.95	70545	-77.17
2013-14	398649.01	337177.33	158745	125.02
2014-15*	154425.83	121533.13	13714	-91.36

Source: www.mgnrega.in/UttarPradesh; www.indiastat.com. *Data were available till October 2014.

The above table illustrates the condition of MGNREGA in Uttar Pradesh. Data were available from the year 2006-07 to 2014-15. We do not consider the 2014-15 data in our regression analysis. The physical and financial factors were taken into consideration. The table majorly clears the growth of employment that was provided to the people at the given period. Growth of employment generation seems to be negligible part in the programme activities.

TABLE 5.14: Performance of SGSY in Uttar Pradesh

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
1999-2000	22422.38	6628.31	60647	-
2000-01	18163.60	19968.23	124064	104.57
2001-02	10509.37	15536.66	121400	-2.15
2002-03	10509.37	14721.83	98469	-18.90
2003-04	14518.73	19564.60	140622	42.81
2004-05	18173.71	27722.43	246824	75.52
2005-06	18173.71	26779.42	260911	5.70
2006-07	20152.62	26142.53	257577	-1.28
2007-08	30755.63	36606.60	292105	13.40
2008-09	36359.30	40455.09	319568	9.40
2009-10	37286.00	48871.72	345408	8.09
2010-11	43006.00	49220.95	391700	13.40
2011-12	39290.00	42832.96	341935	-12.70
2012-13	39827.00	18353.13	151584	-55.67

Source: www.indiastat.com.

The above table illustrates the SGSY programme condition in Uttar Pradesh. Data were available from the year 1999-2000 to 2012-13. The physical and financial factors were taken into consideration. The table majorly clears the growth of employment that was provided to the people at the given period. The performance of SGSY is good in Uttar Pradesh.

TABLE 5.15: Performance of PMEGP in Uttar Pradesh

Year	Funds Allocation (Rs.in Lakhs)	Fund Utilisation (Rs. in Lakhs)	Employment Generated (in Numbers)	Growth of Employment Generation (in percent)
2008-09	11768.96	7965.23	27078	-
2009-10	9739.75	13168.98	41728	54.10
2010-11	13848.08	13245.69	45019	7.89
2011-12	18851.45	18599.43	59901	33.06
2012-13	14789.65	12968.42	45678	-23.74
2013-14	13988.57	15117.55	43449	-4.88

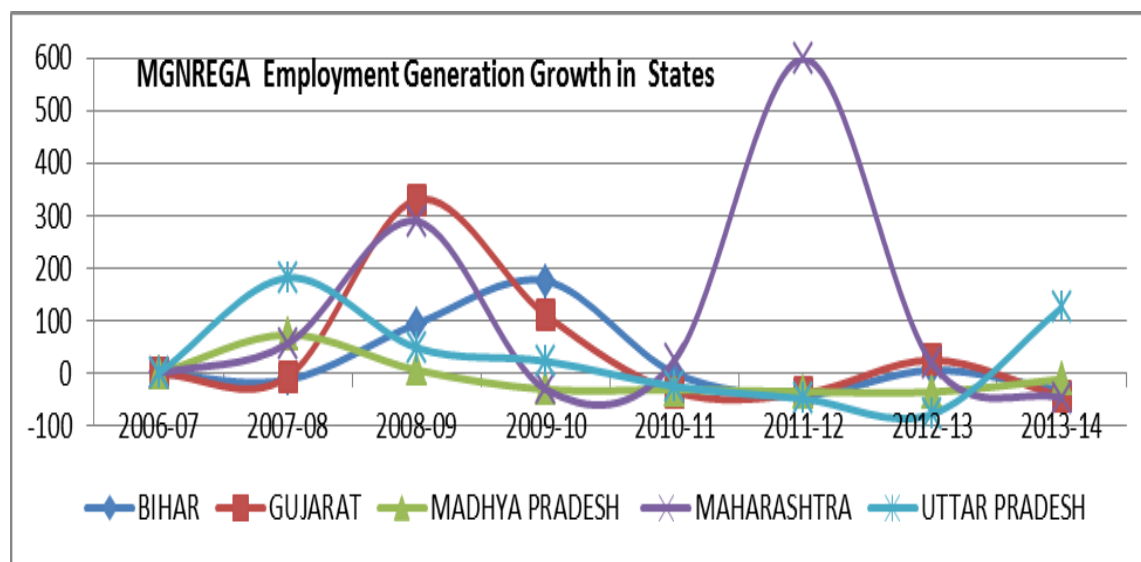
Source: www.indiastat.com.

The above table illustrates the PMEGP programme condition in Uttar Pradesh. Data were available from the year 2008-09 to 2013-14. The physical and financial

factors were taken into consideration. The table majorly clears the growth of employment that was provided to the people at the given period. Growth of employment generation due to PMEGP activities is remarkable.

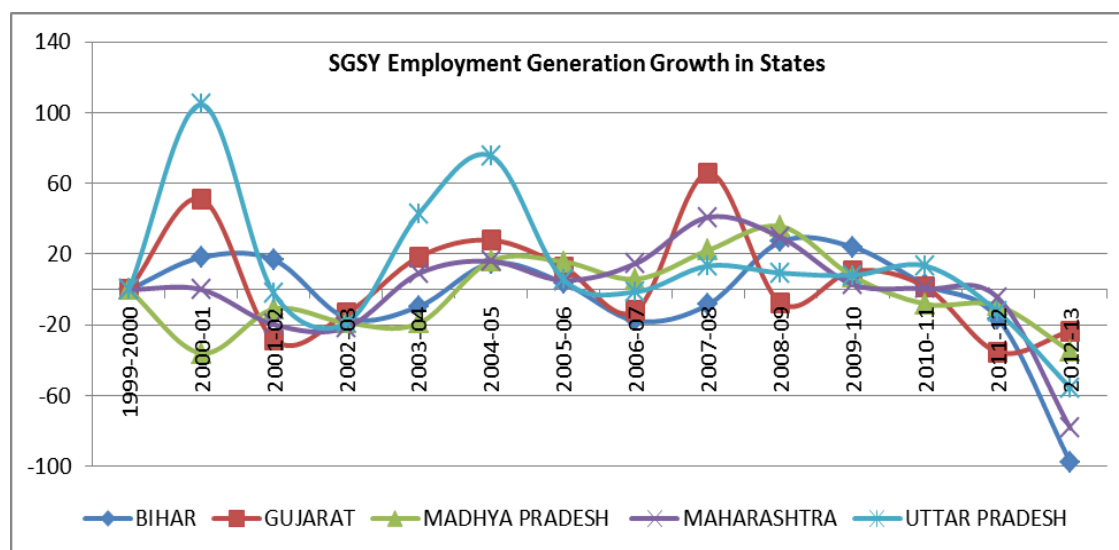
Thus, if we examine the programmes in Uttar Pradesh, it can be observed that the data indicate a positive picture in Uttar Pradesh. These programmes are making positive impact to the employment poverty conditions in Uttar Pradesh. Above results show the positivity of the programmes in providing employment to the poor section of Uttar Pradesh. The results show a drastic change and fairly improvement in the state.

Figure 5.a: MGNREGA Employment Generation Growth in States.



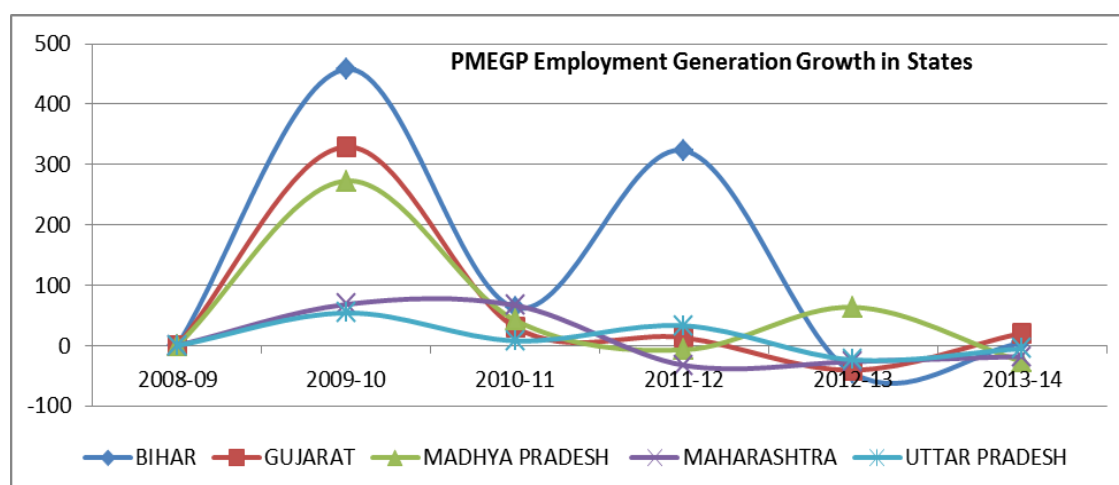
The above figure displays the growth of employment generation of the selected five states in MGNREGA. The trendline of Uttar Pradesh at the end is showing upward movement while rest of the states are nearby to each other in 2013-14. Maharashtra, in 2011-12, shows terrific variation. Thus, observing the above trend, we can conclude that the programme is showing notable variations. The trend line shows ups and downs in the growth of the employment generation by the programme.

Figure 5.b: SGSY Employment Generation Growth in States



The above figure displays the growth of employment generation of five states in SGSY. Except that of Gujarat, trendline of other states is showing downfall in 2013-14. The trend line shows major ups and downs in the growth of the employment generation in the programme. The variations show effectiveness of the programme in all the states.

Figure 5.c: PMEGP Employment Generation Growth in States



The above figure displays the growth of employment generation of five states in PMEGP. The programme is affecting the employment condition of the states, as we

can observe that the fluctuations were high in first two years. Thereafter, we can see gradual movements of the growth of employment generation in the states. It indicates the effectiveness of the programme.

5.6 Results and Discussions

The variables we have used in our model of the regional level study in this chapter are the same as we applied in our previous chapter of the national level study. The variables of the model are fund utilisation and the employment generated in a given period. Time series data were taken into consideration for each programme in each of the five states separately. The following results show the performance of three poverty alleviation programmes i.e., MGNREGA, SGSY and PMEGP in different five states of India. The states are Bihar, Gujarat, Madhya Pradesh, Maharashtra and Uttar Pradesh. Through the log linear regression analysis we have tried to find out whether the utilised fund for the programme is generating employment ability within the selected group of the poorer section. Each time there is some variation in fund utilised which has impact on employment generation. The regression analysis for the evaluation of the performance of these programmes in selected states has been discussed programme wise as follows:

TABLE 5.16: Results of MGNREGA in States

Dependent Variable : lnEG*										
Independent Variable : lnFU**										
Results : MGNREGA										
Schemes	Bihar		Madhya Pradesh		Uttar Pradesh		Gujarat		Maharashtra	
	Value	t-val.	Value	t-val.	Value	t-val.	Value	t-val.	Value	t-val.
Constant	-4.18	-1.02	-1.65	-0.09	4.17	0.76	3.10	1.76	-4.86	-4.33
Coefficient	1.34	3.90	0.85	0.80	0.67	1.54	0.71	4.23	1.42	13.81
R²	0.7174		0.0964		0.2840		0.7491		0.9695	
Correlation (lnFU, lnEG)	0.8470		0.3105		0.5329		0.8655		0.9846	
Degrees Of Freedom	6		6		6		6		6	
Scheme Model	lnEG= (-4.18) +1.34ln FU		lnEG= (-1.65) +0.85ln FU		lnEG= 4.17 +0.67ln FU		lnEG= 3.10 +0.71ln FU		lnEG= (-4.86) +1.42ln FU	

Note: degrees of freedom is 6 significant at 5 percent of confidence interval;
*EG=Employment Generation; **FU= Funds Utilised

TABLE 5.17: Results of SGSY in States

Dependent Variable : lnEG*										
Independent Variable : lnFU**										
Results : SGSY										
Schemes	Bihar		Madhya Pradesh		Uttar Pradesh		Gujarat		Maharashtra	
	Value	t-val.	Value	t-val.	Value	t-val.	Value	t-val.	Value	t-val.
Constant	4.94	17.45	1.48	0.60	2.23	3.17	4.02	2.03	-4.15	-2.02
Coefficient	0.48	23.34	0.70	3.91	0.99	14.19	0.49	3.17	1.10	7.58
R²	0.9785		0.5598		0.9437		0.4560		0.8272	
Correlation (lnFU, lnEG)	0.9892		0.7482		0.9715		0.6753		0.9095	
Degrees Of Freedom	12		12		12		12		12	
Scheme Model	lnEG*=4.94+0.84ln FU**		lnEG*=1.48+0.70ln FU**		lnEG*=2.23+0.99ln FU**		lnEG*=4.02+0.49ln FU**		lnEG*=(-4.15)+1.10ln FU**	

Note: degrees of freedom is 12 significant at 5 percent of confidence interval;
*EG=Employment Generation; **FU= Funds Utilised

TABLE 5.18: Results of PMEGP in States

Dependent Variable : lnEG*										
Independent Variable : lnFU**										
Results : PMEGP										
Schemes	Bihar		Madhya Pradesh		Uttar Pradesh		Gujarat		Maharashtra	
	Value	t-val.	Value	t-val.	Value	t-val.	Value	t-val.	Value	t-val.
Constant	2.45	5.01	2.03	3.27	2.24	2.02	2.61	3.89	3.13	0.67
Coefficient	0.84	13.80	0.89	12.07	0.89	7.59	0.84	10.02	0.80	1.46
R²	0.9794		0.9733		0.9351		0.9617		0.3490	
Correlation (lnFU, lnEG)	0.9897		0.9865		0.9670		0.9807		0.5908	
Degrees Of Freedom	4		4		4		4		4	
Scheme Model	lnEG*=2.45+0.84ln FU**		lnEG*=2.03+0.89ln FU**		lnEG*=2.24+0.89ln FU**		lnEG*=2.61+0.84ln FU**		lnEG*=3.13+0.80ln FU**	

Note: degrees of freedom is 4 significant at 5 percent of confidence interval;
*EG=Employment Generation; **FU= Funds Utilised

Above tables represent the results of log-linear regression analysis of three programmes separately. We have furnished the programme-wise data in these tables where the results of states are displayed. We will discuss the state-wise results to compare the performance of any particular programme in all the selected states conveniently. It will also help in the comparative assessment of poverty alleviation and employment generation statistics among the states.

We will firstly discuss the results of the state, Bihar. The results of all the three programmes show positive effect of funds utilisation on employment generation. The regression coefficient of MGNREGA with 1.34 percent shows positive effect of utilised funds, similarly SGSY with 0.48 percent and PMEGP with 0.84 percent shows the elasticity of employment generation due to fund utilisation. Thus, the impact between the two factors is positive. However, all the programmes show positive effect, through which it can be concluded that fund utilisation has positive effect on the employment generation. The correlation between the two factors in MGNREGA is 0.85, SGSY is 0.99 and PMEGP is 0.99 which found to be significantly high degree of positive correlation. Thus we can state that on the basis of these factors there is a strong relationship between the factors and the programmes are effective in Bihar. To observe the percentage of variation on employment generation due to variations in funds utilisation we analyse regression equation (R^2 in the table). R^2 of MGNREGA is 0.7174 percent, SGSY is 0.9785 percent and PMEGP is 0.9794 percent. This indicates MGNREGA, with 71.74 percent of variation, can be seen on employment generation due to funds utilised in the programme. Likewise in SGSY 97.85 percent and PMEGP 97.94 percent of variation could be seen on the employment level due to funds utilised in the programme. The computed t value for MGNREGA is 3.90 percent, SGSY is 23.34 and PMEGP is 13.80, which is statistically significant and hence we will reject our null hypothesis and accept the alternative hypothesis. SGSY results are very strong in Bihar. So, we found our results in favour of alternative hypothesis. This means any change in funds allocation makes a change in the employment generation. From this study, we conclude that selected rural poverty alleviation programmes in Bihar have significant impact on employment generation.

Further, we discuss the results of the state Gujarat. The regression coefficient of MGNREGA with 0.71 percent shows positive effect of utilised funds, similarly the SGSY with 0.49 and lastly PMEGP with 0.84. Thus, the impact between the two factors is positive. However, all the programmes show positive effect which concluded that fund utilisation has positive effect on employment generation. So, any additional change in funds utilisation, we can expect employment generation to increase positively by an average of 71 percent, 49 percent and 84 percent respective of the programmes in Gujarat. The correlation between the two factors in MGNREGA is 0.86, SGSY is 0.68 and PMEGP is 0.98 which found to be significantly high degree of positive correlation. MGNREGA, with 74.91 percent of variation can be seen on employment generation due to funds utilised in the programme. Likewise in SGSY 45.60 percent and PMEGP 96.17 percent of variation could be seen on the employment level due to funds utilised in the programme. In all the selected programmes PMEGP is performing well in Gujarat. The computed t value for MGNREGA is 4.23, SGSY is 3.17 and PMEGP is 10.02, which are statistically significant and hence we will reject our null hypothesis and accept alternative hypothesis. From this study we conclude that selected rural poverty alleviation programmes in Gujarat have significant impact on employment generation.

In Madhya Pradesh, result of MGNREGA with 0.85 percent shows positive effect of utilised funds, SGSY with 0.70 and PMEGP with 0.89. Thus, the impact between the two factors is positive in all the three programmes. The correlation between the two factors in MGNREGA is 0.31, SGSY is 0.75 and PMEGP is 0.99 which found to be significantly high degree of positive correlation except MGNREGA results. MGNREGA with 09.64 percent variation shows the impact on employment generation due to funds utilised in the programme which is statistically insignificant. Likewise in SGSY 55.98 percent and PMEGP 97.33 percent of variation could be seen. In all the selected programmes PMEGP is performing well in Madhya Pradesh and MGNREGA found to be insignificant. The computed t value for MGNREGA is 0.80, SGSY is 3.91 and PMEGP is 12.07, which clears that SGSY and PMEGP programmes are statistically significant except MGNREGA which is statistically insignificant in Madhya Pradesh. Hence, we will reject our null hypothesis and accept alternative hypothesis in case of SGSY and PMEGP but in case of MGNREGA we will accept null hypothesis. From this study, we conclude that

selected rural poverty alleviation programmes in Madhya Pradesh have significant impact from SGSY and PMEGP programmes. MGNREGA fail to perform better in Madhya Pradesh.

In Maharashtra, MGNREGA with 1.42 percent shows positive effect of utilised funds, SGSY with 1.10 and PMEGP with 0.80. Thus, the impact between the two factors is positive. The correlation between the two factors in MGNREGA is 0.98, SGSY is 0.91 and PMEGP is 0.59 which found to be significantly high degree of positive correlation. MGNREGA with 96.95 percent of variation can be seen on employment generation due to funds utilised in the programme. Likewise in SGSY 82.72 percent and PMEGP 34.90 percent of variation could be seen on the employment level due to funds utilised in the programme. The computed t value for MGNREGA is 13.81, SGSY is 7.58 and PMEGP is 1.46 which is statistically significant except PMEGP which is statistically insignificant. Hence, we will reject our null hypothesis and accept alternative hypothesis in case MGNREGA and SGSY but in case of PMEGP we will accept null hypothesis which evidence to fail in Maharashtra. From this study we conclude that selected rural poverty alleviation programmes in Maharashtra have significant impact on employment generation through MGNREGA and SGSY.

In Uttar Pradesh MGNREGA with 0.67 percent shows positive effect of utilised funds, SGSY with 0.99 and PMEGP with 0.89. Thus, the impact between the two factors is positive. The correlation between the two factors in MGNREGA is 0.53, SGSY is 0.97 and PMEGP is 0.97 which found to be significantly high degree of positive correlation. MGNREGA with 28.40 percent of variation can be seen on employment generation due to funds utilised in the programme. Likewise in SGSY 94.37 percent and PMEGP 93.51 percent of variation could be seen on the employment level due to funds utilised in the programme. The computed t value for MGNREGA is 1.54, SGSY is 14.19 and PMEGP is 7.59, which found to be statistically significant in case of SGSY and PMEGP but in case of MGNREGA which found to be statistically insignificant in Uttar Pradesh. Hence, we will reject our null hypothesis and accept alternative hypothesis in SGSY and PMEGP, in MGNREGA we will accept null hypothesis which fail to perform good in Uttar Pradesh.

According to our results in five states we found that the programmes are performing well but we found MGNREGA statistically insignificant in Madhya Pradesh and Uttar Pradesh and PMEGP in Maharashtra. They were not able to perform as they were expected to do and as they performed in other states. This may be due to regional reasons. On the basis of per capita income, the states with lower per capita income show some tremendous changes and the states with higher per capita income also got affected by these programmes. So, we can make a conclusion that the programmes involved in the development process are affecting the states. If states are responding positively, this implies that the programmes are performing and they are improving the conditions of the nation directly.

The review of the individual schemes and their functioning provides us the necessary background to undertake an assessment with a view to improve their effectiveness and utilisation. There is poor utilisation in one or two states in the case of some other schemes also, but one can argue that those could be ascribed to state-specific factors. However, it is not pertinent to say that there is no scope for improvement.

Broadly the schemes can be divided into two types: those based on proposals/plans to be submitted for approval and those based on allocations. Some of the schemes may have elements of both, but the distinction is still valid because only one of them can be the effective driver. For example, MGNREGA is a different category in itself, since it is an entitlement programme, although it is based to some extent on annual plans submitted by states.

One issue is that of delivery mechanism of the scheme. Most of the schemes reviewed, including the some of the flagship schemes, have two features in common: (a) they are expected to be implemented in a decentralised manner, and (b) the state level coordination is entrusted to an agency created for the purpose, with state government participation but autonomous. Many schemes expect the state level agency to be literally only a co-ordinating body, with the focus at the district level or at a further decentralised level. The decentralised structure is expected to cover the whole spectrum of the implementation process starting from preparation of project proposals/plans to actual expenditure. While this is a structure that obviously has an appeal in terms of decentralisation, it can, and probably does, create serious problems

of administration and effective delivery. Ensuring a smooth flow of funds under any scheme is absolutely essential to the success in meeting the ultimate objectives of the scheme. This is where the administration of the scheme is tested, and more often than not, this is what determines effective utilisation of the scheme.

The above changes should help significantly in maintaining the time schedule of releases, which can impact on the schedule of implementation. For the selected states covered in this chapter, it is particularly important to provide the bulk of funds in the first instalment, so that seasonal constraints can be worked around. Also, in the case of the selected states, appointment of professional consultants to prepare project proposals should be allowed (if not included) on a reimbursable basis under the schemes to compensate for usual lack of expertise in this area. A strong political will is very much needed in this context.

Thus, the economic reforms and policies have far-reaching consequences on the relations between the Union and the States. First, the dismantling of controls exercised by the Central Government has created greater scope for State Governments to elaborate their own policies, for instance with regard to economic development initiatives. And second, the reforms themselves require cooperation from State governments to succeed, and hence State-level politics and governance take on greater importance for India's overall development pathway. For these reasons, there is now considerably more interest for State-level studies than in the recent past. Inter-State comparisons of economic growth show increasing divergence in economic performance.

There has been a debate on regional variations in economic growth and on the question of the widening of inter-State inequalities in per capita income. The economists have shown their interest in examining whether growth rates in India's States are converging, as neoclassical theory predicts, *i.e.*, the poorer States are growing faster than the richer ones, or the inverse. In this way, the study aims to focus on inter-State comparisons of economic reforms, planning and outcomes. Policymakers at the state level can thus draw the strong implication that there is much they can do to improve the welfare of their citizens.

Convergence in policies at the Central and State Government levels would further drive inclusive growth. The Central and State governments should continue to

harness growth enabling policies and increase their emphases on development of social infrastructure. For the sake of economic and social development of the country, improvement in governance as well as reduction in corruption is very much needed.

CHAPTER – SIX

DIFFERENT APPROACHES ADOPTED IN THE IMPLEMENTATION OF THE PROGRAMMES

The effectiveness of the poverty alleviation programmes depends upon the factors involved in a programme to fulfill its planned objectives, keeping in mind the problems of the country. These poverty alleviation programmes have been affected by many internal and external factors, out of which some could be helpful and some could also be harmful for those programmes. Different programmes have different objectives including few similar ones. The objectives are structured by the Government after understanding the requirement of the country to overcome from the pertaining difficulties. The Government tried to solve the difficulties through the introduction of Five Year Plans to bring in the development process. With the economic planning the Government has been introducing various poverty alleviation programmes to alleviate poverty as per the demand of that period.

The Indian experience shows that these poverty alleviation programmes have to go along with national development planning and as such, any reduction strategy should be a part of the overall development strategy of the country. It is needed to bring out intensive study on poverty alleviation programmes because not only one or two factors could be responsible for failure or success of any programme, there might be a number of causes. In the present chapter we focus on the subsequent issues that show some socio-economic changes, such as - impact assessment of poverty alleviation programmes for employment generation from the past to the present; role of the Government Organizations and Non-Governmental Organizations in motivating the deprived people in both rural and urban areas; problems that occur in the implementation of the programmes and the prospective scenario about the poverty alleviation programmes. These issues can be considered to understand other factors affecting the poverty alleviation programmes.

6.1 An Impact Assessment of Poverty Alleviation Programmes for Employment Generation

When the general economic growth failed to touch the poorest of the poor, the Government of India launched a number of special employment and poverty

alleviation programmes to remove the difficulties. The special programmes have dual purpose namely: first, these programmes provide direct employment on wages paid in cash and kind; and second, these programmes help the poor in earnings by providing them with assets like land, animals, credit, marketing, training etc.

The comprehensive scheme to solve these problems was launched in the Third Five Year Plan in India to generate employment opportunities and to bring down the intensity of poverty in the country. The 'Garibi Hatao' slogan in early seventies marked the beginning of an intensive approach to tackle poverty. The specially designed programmes of work are made for the helpless section of the society. The Government of India set up the expert committee on unemployment estimate headed by B. Bhagawati Committee in 1973. The committee suggests various schemes to generate employment opportunities through rural electrification, rural housing etc. in the country. Most of these special programmes are conceived and funded by the Central Government that determines the criterion for allocation between the states. Only few schemes like Maharashtra Employment Guarantee Scheme and Tamil Nadu's Mid-Day Meals programmes for children have been taken up completely at the state's initiative.

Main areas of concern of poverty are lack/inadequate access to natural resources (land, forest, and water), over-dependence, low productivity due to inadequate use of technology, and deficient infrastructure, unemployment and under-employment in agriculture. Further, the changing local requirements and the inability of rural people engaged in traditional occupations/crafts to upgrade their skill accordingly, non-availability and inaccessibility to basic social infrastructure such as education, health and drinking water, and sanitation, physical infrastructure such as road, power, storage, communication, low coverage due to non-availability of adequate funds for rural development.

Besides availability of funds, strong and efficient governance structure and other factors are equally important in the implementation of the programmes in a time bound manner to realize their visible impact, such as – increasing awareness of programmes and access of rural poor to avail the benefits; social mobilization for collective action and economies of scale; replication of successful experiments on mass scale; introduction of appropriate technologies and involvement of experts;

removing the design of various schemes and programmes based on earlier experience; availability of timely and adequate credit at low cost; emphasis on strengthening forward and backward linkages; setting up of dedicated, motivated and professional implementation structure; proper targeting through suitable poverty mapping mechanism; transparency and accountability of implementing structure; coordination with other Ministries and convergence of their programme. Further, given the overarching objective of reduction of rural poverty in a focused and time-bound manner, some inter-related tasks of poverty alleviation programmes that assume significance are – strengthening Information, Education and Communication activities and mobilization of all the poor households into functionality effective SHGs and their federations; availability of necessary institutional mechanism for capacity building, credit, marketing etc.; building their capacity and skills for gainful and sustainable self-employment; enhancing their access to bank credit at reasonable rates and other financial, technical and marketing services; coordination with banks to improve the reach of rural poor and also having better bank linkages; provisioning of adequate resources to achieve the intended targets; infrastructure and other necessary arrangements for facilitating economic activities/enterprises taken up by rural poor; dedicated implementation structure equipped with professionals at various levels to strengthen the delivery mechanism; and the dedicated MIS system for transparency and convergence.

Poverty alleviation programmes are said to be one of the major instrument of Government in employment generation. Many studies evidence that employment generation is one of the major factors of economic development. The Government is spending a quite large amount on these poverty alleviation programmes to overcome from the difficulties of unemployment, hunger, poverty and starvation (all the major features of rural areas as well as urban poor areas). From this a question arises- why do we need these poverty alleviation programmes for employment generation when the country has so many public and private institutions/companies?

One reason for the question in case of India could be the ratio of population to the job market. India is second largest country in terms of population, after China. In the present scenario of development, education sector has a drastic growth which arises as hindrance for those uneducated people to fulfill the basic criteria of jobs, so

they remain jobless and involuntary unemployed. This incapability in institution criterion does not allow these people to work with those institutions. The market also could not generate employment when there are limited opportunities and the number of demand for work is more. The contemporary focus of the Government is to contribute vigorous management to the employment level in the rural society so that, the harmful functioning in the programme does not affect the development process.

The impact of these poverty alleviation programmes made them strong through their objectives involved during the implementation of the programme. Thus, the effect of these programmes can be seen robust more in short term period or in an immediate effort rather than indirect and long term period, whether anticipated or unanticipated among a wide range of factors. Two basic approaches for poverty alleviation programmes originate under two facts –first, short term poverty alleviation through employment creation; and second, long term poverty alleviation largely through the use of assets in the programme. While on the other portion, the direct and indirect effects could be distinguished for each programme. Each programme has a direct concentrate to give employment and income to the poor, this change indirectly affects the growth and development of the country. These all factors are inter-related; therefore effect on one factor spreads the effect to another factor.

For an overview of the major poverty alleviation programmes the determination of total impact is also important. Two broad categories of methods for the assessment of these socio-economic impacts can be classified as – the situation of the country before implementation and after implementation of the programme and the other is the development either with the programme implementation or without the programmes implementation. These comparisons have previously been the most common method being frequently used in connection with the analysis. This is the most preferred method for the design and evaluation of programmes intervention world-wide.

These methods have been tried to study the impact assessment on employment generation from variations in poverty alleviation programmes. The studies are known to have the frequent encountered practical problems which relate to an external, abandoned changes and lack of funding for follow up surveys. In some programmes

the poor design of initial model studies have made it difficult to follow through impact issues to assess changes overtime.

A major problem with respect to impact analysis relates to quality of data and method employed in data collection. Another problem is - the impact studies have tended to gather large quantities of data, but a great deal of them is not being analyzed at all for and they are not being used in the programme. In many other cases for reasons that are not obvious the generation of statistically reliable and significant data has been problematic. Very few impact studies have included econometric methods to determine statistical significance. In fact issues related to poverty have only been studied indirectly, without the depth required for such studies.

The success of these poverty alleviation programmes can be judged from the decline of poverty levels from 37.3 percent in 1993-94 to 27.1 percent in 1999-2000. According to the report of Planning Commission of India, poverty has been reduced by 22 percent in 2011-12. Over the last decade, poverty has witnessed a consistent decline with the levels dropping from 37.2 percent in 2004-05 to 29.8 percent in 2009-10. The number of poor is now estimated at 269.3 million of which 216.5 million reside in rural India. These ongoing stages towards reducing the poverty have been distressed by the faster increment in the population rate in India.

The analysis and discussion in previous chapters make clear that poverty reduction strategy, in development policy, in general, and employment generation programmes, in particular, help to ensure that the essential employment opportunities have been increased for the rural areas and the poverty level has been reduced consequently. People are getting wages according to the criteria assured by the Government. The elements, such as non-discrimination, inclusive participation, obligations and accountability accept the sustained attention they deserve in light of the perpetuating nature of extreme poverty.

In the beginning of the planning in the country, the policy of direct attack on poverty and unemployment was not adopted. The Government was under the impression that economic growth will trickle-down and automatically it will create employment opportunities. But this trickle-down theory did not work. After the economic planning, direct attack on poverty is made through the poverty alleviation programmes. The data pertaining to employment and poverty show the performance

of these special employment generating programmes. The performance of major poverty alleviation programmes has made widespread progress in all sectors of the economy since their inception. The planning commission has collected data on performance of special employment and poverty alleviation programmes. During 1998-99, 1.66 man-days of employment were generated under IRDP. The EAS has been able to generate maximum number of man-days. In 2000-01, 14.48 million man-days of employment were generated under JRY, which has been renamed in 1999 as JGSY.

There were few shortcomings in these programmes that hinder in alleviation of poverty, like during the programme implementation it became difficult to identify the poor, especially in rural areas estimation of income was very difficult. So, some beneficiaries who were not eligible for their inclusion in target groups had taken the benefit notoriously. Allocation of funds is made without considering the size of the poor people in various states and regions. Very low level of wages in the name of enlarging the number of beneficiaries is given to the labour in these programmes. These programmes are not left corruption-less and this factor is the major weakness of all the programmes that have been implemented. The non-poor people grab the loans by identifying themselves as poor. So far as implementation of rural development programmes is concerned, it has not been satisfactory due to corruption and lack of real poor people's participation.

Furthermore, the timing of household surveys may not be in line with program implementation. Most household surveys in developing countries are not conducted annually and their main purpose is not necessarily to analyze poverty-related issues. Accordingly, the surveys may not have the necessary detailed information on income and expenditure. In addition, the surveys may have specific topics or modules such as health, education, and others that could make them less useful for poverty impact analysis, especially if the segments are not related directly to the project's concerns. As a result, the timing, topics, and coverage of the household surveys may not be directly related to poverty impact analysis. In addition, as there is no standard method for assessing impact, each assessment has to be specifically designed for each project, country, institution, or stakeholder group. This situation requires using a survey and tool designed specifically for assessing a particular project or policy

intervention. In order to assess the impact of development programmes or policies in alleviation of poverty, formerly noticed the distinctive features of employment generation programme that are of supreme importance in order to ensure that outcome of such assessments are effective, inclusive and meaningful.

On the basis of NSSO 61st Round (July 2004-June 2005) consumer expenditure data, the poverty ratio was estimated at 28.3 percent in rural areas, 25.7 percent in urban areas, and 27.5 percent for the country as a whole in 2004-05 using uniform recall period. Based on Mixed Recall Period (MRP) in 2004-2005, the poverty ratios are 21.8 percent in rural areas, 21.7 percent in urban areas, and 21.8 percent for the country as a whole. According to the Tendulkar Committee (2009) appointed by the Planning Commission, the poverty ratio for the country, as a whole, for the year 2004-05 is estimated at 37.2 percent far higher than the Planning Commission estimates. The rural and urban poverty ratio has been estimated to be 41.8 percent and 25.7 percent respectively. According to the Tendulkar Committee, rural area poverty line is kept at Rs. 446.68 and for urban area; it is Rs. 578.8 per capita per month.

6.2 Role of the Government

The Government is committed for strengthening the rural and urban social and economic infrastructure, which includes- restoring the rural credit delivery system, and reversing policy biases against agriculture. Strong Government financial and administrative support for social and anti-poverty programmes is dependent on maintaining rapid and sustained economic growth, which alone can yield the necessary fiscal resources.

In India the Government is categorized in three stages first is the Central Government; secondly, the State or Provincial Government and the last one is Local Government. Each of these Governments is elected by the people respectively as: the national, state and local level.

The Central or Union Government, headquartered at New Delhi has the instructions to govern the subjects listed in the Central List including 7 Union Territories. The Central List includes subjects that cut across state boundaries and cover the interests of the entire nation.

The State Government instructs to administer the state or province, headquartered at the State capital. The State Government has to oversee the root causes of the problem they are dealing with. The State Governments are empowered to take decisions on subject listed in the state list. The state list includes subjects that cut across boundaries of local governments and also other state-level issues. The local governments are also called local self-governing bodies or Panchayati Raj Institutions. There are two types of local government: Urban Local Bodies and Rural Local Bodies. The urban local bodies are local governments of urban areas and consist of municipalities and municipal corporations. The rural local bodies consist of a three-tier Panchayat system: District Panchayat or Zilla Parishad, Block Panchayat and Village Panchayat.

The Government recognizes several serious gaps in social services; a national consensus exists for universalization of basic social services: safe drinking water; primary health services; primary education; public housing to the shelter-less; mid-day meals in rural areas; connectivity to villages; and a public distribution scheme for the poor. Eradication of poverty remains a major challenge of planned economic development. Experiences of different states with economic growth and poverty reduction have been so varied that it is difficult to offer any general policy prescription.

There are states that followed the path of high agricultural growth and succeeded in reducing poverty (Punjab and Haryana) and states that focused on human resource development and reduced poverty (Kerala). There have been states that implemented land reforms with vigor, empowered the panchayats, and mobilized the poor and implemented poverty-alleviation programmes effectively (West Bengal) and states that brought about reduction in poverty by direct public intervention in the form of public distribution of food-grains (Andhra Pradesh).

Anti-poverty strategy comprises of a wide range of poverty alleviation and employment generation programmes, many of which have been in operation for several years and have been strengthened to generate more employment, create productive assets, impart technical and entrepreneurial skills and raise the income level of the poor. Under these schemes, both wage-employment and self-employment

are provided to the poor. In 1998-99 various poverty alleviation and employment generation programmes were grouped under these two heads.

Funding and organizational patterns are also rationalized to achieve better impact. These programmes are primarily meant for poverty alleviation and have generally not been helpful in sustainable employment generation. Rural Development funds have been used for enhancing the budgetary allocation of successful rural development schemes that are being run by State Government, or for meeting the state contribution for donor assisted programmes for poverty alleviation.

Poverty had declined substantially in 1980s. However, recent estimates suggest that projections on reduction of proportion and number of people below poverty line made in the Ninth Plan have not been realized in the first two years of the plan period. A special group in the Planning Commission was constituted under the Chairmanship of Dr. S. P. Gupta, Member of Planning Commission to suggest strategies and programmes in the Tenth Plan for creating gainful employment opportunities for one crore people per year during each year of the Tenth Plan. The special group has submitted its report in May 2002.

The special group has also suggested restructuring in the economic and social sectors in favour of labour intensive activity for generating additional gainful job opportunities for the Tenth Plan. According to the Special Group Report, out of the proposed five crore job opportunities to be generated over the Tenth Plan Period, nearly two crore should come from specific employment generation programme and three crore buoyancy.

Ever since 1975, with the launching of Prime Minister 20 Points Economic Programmes during the Prime Minister-ship of late Indira Gandhi the various programmes were started in the area of poverty alleviation. The various schemes such as- IRDP, SEEUY, PMRY, Special Component Plan (SCP), SGSRY, etc. were the scheme, which have been launched by successive Governments. These entire schemes provide for a component of subsidy. The Khadi and Village Industries Corporation and the Khadi and Village Industries Boards in the States have also been instrumental in providing financial assistance for establishing small industries and provide for various subsidies.

The successive of these schemes has not been worth mentioning as these schemes involved in the subsidy grants by the various agencies. The identification of the beneficiaries has not been proper with the result that the needy persons could not avail the fruits of the schemes. The widespread corruption at the grassroots level has made the scheme failure. Lot of money in the form of subsidies as well as bank finance has been wasted and there has not been any end use of funds. With the failure of these schemes, the Governments in almost all the states have come with a new concept of micro-financing by way of promoting the smaller and homogeneous groups, known as Self-help Groups (SHGs) which through the thrifty habits, raise the equity from among the members and thereafter, the bank extend finance proportionate to the equity raised by the members of these groups. The idea is that the members of the homogeneous groups will be engaged in fair dealings and they will strive hard to promote the activities of their groups thereby raising their incomes and fulfill their small credit needs in odd hours. NABARD has been instrumental in promoting this scheme.

6.3 Role of Various Agencies in Poverty Alleviation

Various agencies, nationally as well as internationally have been instrumental in assisting the country in employment generation and poverty alleviation. The World Bank and its various agencies, viz. IDA, IFC, MIGA and ICSID etc. extend financial assistance by way of grants as well as aid.

The purpose of the International Bank for Reconstruction and Development (IBRD), popularly known as World Bank is to finance the development projects of developing countries. It is regarded by the economic development practitioners as a strongly project oriented institution. Its finance is almost invariably linked to expenditure for a specific investment purpose rather than being available to meet the general requirement of the borrowing country for capital or for imports. For this purpose it is authorized to guarantee or make for productive purposes out of its own capital and through the mobilization of private capital. It is authorized to advance loans to private undertaking only on the guarantee of the member country in whose territory the borrower resides.

The International Finance Corporation (IFC) is a daughter institution of the World Bank. It can lend loans to the private concerns without the approval or

guarantee of the member country. It is also entitled to subscribe to equality shares and bonds of the private corporations. It makes investments for a variety of purposes. It assists in financing private industrial financial corporations, makes direct investments in processing and manufacturing industries, helps in financing new companies in collaboration with domestic as well as foreign investment institutions and even goes to the extent of assisting established industrial concerns in their expansion and modernization.

The International Development Association (IDA) is another daughter institution of the IBRD and is attached more to the Bank than is the IFC. It is also known as Soft Loan Window. It has been established to provide development financing to the less developed countries on terms which less heavily on the balance of payments of recipient countries than to conventional loans. It has advanced loans to our country for various capital projects such as construction of national highways, irrigation and power projects, agriculture credit, aviation, fertilizers and wheat storage projects etc.

There are other private agencies, which too assist in the employment generation and poverty alleviation. The mention of Non-Government Organizations (NGOs) will not be out of place. These organizations have been much instrumental in assisting the people in starting various developmental activities to the groups as well as individuals. Self-Help Groups (SHGs) also are active in augmenting the earnings of their members. These Organizations help the members in cultivating the habit of thrift.

6.4 Role of the Non-Governmental Organizations

A non-governmental organization (NGO) can be postulate in a picture as any non-profit, voluntary citizens' group which is organized on a local, national or international level. NGOs are task-oriented and driven by people with a common interest. They perform a variety of service and humanitarian functions which help to bring citizen concerns to Governments. These organisations help Government to advocate and monitor policies and encourage political participation through provision of information. Some are organized around specific issues, such as human rights, environment or health. They provide analysis and expertise, serve as early warning mechanisms and help monitor and implement international agreements. Their

relationship with offices and agencies of the United Nation's system which may differ that depending on their goals, their venue and the directive of a particular institution.

In recent years, many observers have suggested that agricultural and rural development strategies would benefit from increased collaboration between government research and extension organizations and non-governmental development organizations.

The disciples of collaboration of Government (GOs) and Non-Government Organisations (NGOs) have tended to few arguments, as: The wide range of interaction that currently exists, not all of it collaborative; much involved pressure by one side or the other; The limitations facing efforts to work together; The preconditions for successful collaboration; in particular, the prior informal contacts necessary to build up mutual trust; Limitations as well as successes of NGOs action. Thus, the extent to which certain functions relating to, for example, public goods will remain more cost-effectively performed by the public sector than by NGOs. Analysis of how GOs might work with NGOs must be accompanied by continuing attention to ways of improving public sector management, an area in which structural adjustment reforms have not had the success expected.

NGOs are to be proposed as non-membership development-oriented organizations. Our concern here is with the stronger of the nation-based NGOs that provide services either directly to the rural poor or to grass-roots membership organizations, and with the local branches of international NGOs that enjoy varying degrees of autonomy. They are therefore distinct from as well as often linked with formal and informal membership organizations such as farmers' associations. But even within this description, there exists wide diversity of origins and philosophy. Some NGOs were set up by some social workers or academics in opposition to the politics of government or its support for or indifference to the prevailing patterns of corruption, patronage, or authoritarianism. Some are based on religious principles, others on a broadly humanitarian ethos, and yet others were set up as quasi-consultancy concerns in response to recent donor-funding initiatives. Some NGOs reject existing social and political structures and see themselves as engines for radical change; others may focus on more gradual change through development of human resources usually through group formation to meet their own needs or to make claims

on government services; yet others focus more simply on the provision of services (e.g., advice, input supply) largely within existing structures. Their ideological orientations also differ widely in relation to agricultural technology: many are concerned with low external input agriculture, others pursue fundamentally organic approaches, and, especially in the case of Andean societies, some are concerned to strengthen or reinstate traditional agricultural practices which formed the basis of social organization (CAAP, 1991). Of crucial importance when considering NGO-GO links is that NGOs are independent: they are not mandated to collaborate with research and extension services in the way that government departments might be. They will therefore collaborate only if GOs have something useful to offer. The National Institute of Rural Development (NIRD) is the country's apex body for undertaking training, research, action research and consultancy functions in the rural development sector. Its mission is to facilitate rural development vigorously through governmental and non-governmental initiatives. It is engaged in planning and coordination of national level training.

The majority of NGOs are small and horizontally structured with short lines of communication and are therefore capable of responding flexibly and rapidly to clients' needs and to changing circumstances. They are also characterized by a work ethic conducive to generating sustainable processes and impacts. NGOs concern with those rural poor means that they often maintain a field presence in remote locations, where it is difficult to keep government staff in post. One of NGOs' main concerns has been to identify the needs of the rural poor in sustainable agricultural development. They have therefore pioneered a wide range of participatory methods for diagnosis and, in some contexts, have developed and introduced systems approaches for testing new technology. In some cases, these approaches have extended beyond circulating systems into processing and marketing.

NGOs relationship with farmers has allowed them to draw on local knowledge systems in the design of technology options and to strengthen such systems by ensuring that the technologies developed are re-unified into them. NGOs have also developed innovative distribution methods, trusting on farmer-to-farmer contact, whether on a group or individual basis. In some cases, NGOs have developed new skills such as soya production in Bangladesh or management practices such as the

sloping agricultural land technology in the Philippines, but more often they have sought to adapt existing technologies, such as PRADAN's efforts in India to scale down technologies developed by government for mushroom and raw silk production and so make them accessible to small-scale farmers.

Undoubtedly, one of the main strengths of NGOs has been their work in group formation. This has been in response to perceived needs at several levels: firstly, to meet the technical requirements of certain types of innovation. Thus, Action for World Solidarity in India worked with grass-roots organizations to achieve simultaneous action in an integrated pest management programme. In the Gambia and Ethiopia, NGOs helped farmers to organize local informal seed production in ways to avoid undesirable cross-pollination; Secondly, to manage "lumpy" assets. In Bangladesh, NGOs have helped to organize landless labourers to acquire and operate water-pumping technology; thirdly, to manage common property resources. Many examples exist of formal and informal associations, often supported by NGOs, which manage irrigation water. In other cases, NGOs have supported group efforts in soil and water conservation, whether on private land or on a micro-watershed basis involving both private and common land. They have also helped in managing common grazing and forest land in a sustainable fashion in relation both to technology and the creation of a capacity to make demands on government over, for example, access issues.

But, NGO's small size means that their projects rarely address the structural factors that underlie rural poverty. Small size, independence, and differences in philosophy also militate against learning from each other's experience and against the creation of effective forums, whether at national or provincial levels. Some "fashionable" locations have become so densely populated by a diversity of NGOs that problems have arisen not merely of competition for the same clientele, but of some undermining the activities of others. NGOs have limited capacities for agricultural technology development and dissemination and limited awareness of how to create effective demand-pull on government services. Some NGOs are more accountable to external funding agencies than to the clientele they claim to serve. Donor pressure to achieve short-term impacts, combined with a lack of cross-learning, has led in some cases to the promotion of inappropriate technology.

The extreme institutional position in which all extension services are provided by the public sector is likely to be inefficient. At the other extreme, only in very specific circumstances can government hand over large parts of the extension function entirely to NGOs. This has been done in Chile, where government has contracted private technology companies to cater to the larger commercial farmers, and NGOs for small subsistence-oriented farmers. However, similar attempts in India have been largely unsuccessful.

A proposal in the Eighth Plan to hand over the entire range of technology transfer and training activities to NGOs in parts of Gujarat, Rajasthan, Orissa, Kerala, and West Bengal, with some technical support from the state agricultural universities and departments of agriculture, has generated only a lukewarm response from NGOs. One reason for this is the NGO concern that many of the technical recommendations from GOs that they would be expected to disseminate are not relevant to small-scale farmers. Another reason is that mechanisms for bottom-up feedback in existing technologies and for the articulation of demands for new technologies remain weak.

Models developed elsewhere to provide a division of tasks more closely corresponding to the respective comparative advantages of the two sides have been more successful. One of the best-known models is in eastern Bolivia, where public sector extension services have long been characterized by chronic weakness. Under a new strategy devised in 1989, Centre for Tropical Agricultural Research (CIAT) established a coordination unit - the Technology Transfer Department (DTT) - whose role was not to work directly with farmers, but with various intermediate users of technologies who had their own local extension services.

Some of the farmer training conducted by GOs is linked more strongly with GOs' programmes and targets than with farmers' needs. Much training is given in a classroom environment, without the practical content necessary to engage farmers' interests. NGOs have sought to work with GOs to address these shortcomings in several contexts:

In Gujarat, the Aga Khan Rural Support Project (AKRSP) identified village training needs through discussions with farmer groups. Initially, AKRSP organized government provision of this training, but the courses were formal in style (lectures in a classroom), and farmers' evaluations showed that they had learned little of practical

value from them. In response, AKRSP developed an alternative needs-based training and dissemination methodology which it tested over several areas. Government staff was then brought in to observe, participate in, and finally adopt the methodology. Successful adoption was reinforced by informal networks and exchange of experience at workshops and consultations. AKRSP, along with Myrada (Fernandez, 1993a), has also been instrumental in training GO staff in participatory methods.

In a different context, the International Institute for Rural Reconstruction in the Philippines brought together resource people from NGOs and GOs at a one-week workshop, the objective of which was to produce a completed Agroforestry Resources Training Manual. The manual is now widely used (Gonsalves & Miclatteves, 1993). Clearly, there are also many instances in which NGO staff benefit from the skills which GO staff are able to impart; training in grafting techniques, for instance, has been found useful by a number of NGOs (Giordano, Satish, & Farrington, 1993). Substantial scope exists for GOs to benefit from NGOs' group-organizing skills. In India, for instance, recent modifications to the training and visit extension system now require village-level extension workers to interact with groups of approximately twenty farmers instead of with individual contact farmers. However, extension workers are not trained in group formation skills, and groups that they form are unlikely - if they survive at all - to become interested in anything other than the testing of immediately available technology. The examples cited above illustrate how NGOs can effectively organize groups around integrated pest management, soil and water management, and the management of common property resources and capital assets.

In India, according to the India Rural Development Report of 1992, 43 percent of the country's rural households are landless or near-landless, and women face cultural restrictions on work outside the household compound. NGOs, through their local operations can be very much helpful for people.

The foregoing has several implications for extension services which aim to develop closer links with NGOs: Explicit recognition of the wide diversity of NGO types will be necessary. Not all but many NGOs seek to support the establishment and growth of membership organizations capable of meeting their technology requirements over the longer term either from their own resources or by creating

demands on government services or by a combination of both. Some of these efforts see viable commercial arrangements as an essential feature of long-term sustainability. Extension services of the GOs are needed to search for links with NGOs from a position of confidence that the research-extension system already has, or at least has the capacity to generate, something useful to NGOs and their clients.

Close interaction will be impossible if extension departments expect NGOs merely to assist in fulfilling pre-set targets such as the achievement of a given number of demonstrations of a given kind each season. GOs will have to bring an open agenda into the relationship, where possible keeping some resources unallocated in order to be able to respond to needs as they are articulated by NGOs.

Very specific efforts will have to be made to convey both feedback on existing technologies and NGOs' requirements for new technologies to researchers. In many GOs, reward systems provide no incentive among researchers to respond to feedback. GO and NGO staff can jointly participate in training courses (ideally led by a joint team) in the action-oriented methods such as participatory rural appraisal favoured by NGOs. The relevance of these to individual NGO staff will vary, but their capacity to enhance awareness of farmers' perspectives is important.

Depending on their philosophy, NGOs are concerned to develop local capacities for experimentation which build solely on farmers' indigenous knowledge or on this and relevant "outside" ideas. This strategy may contribute to rural advancement in its own right, and the capacity it creates may prove a useful independent source of innovations in the absence of usable technologies from government. Alternatively, where GOs are willing and able to work with the poor, it will be a useful complement to what extension service can offer.

Predictably enough, it is the group-organizing and human resource development skills of NGOs which have tended to complement the technical skills and facilities available to government. Less predictable are the types of interaction that might evolve in specific settings: much appears likely to develop on an ad-hoc basis in response to the individual characteristics of NGOs and the settings in which they work. However, it is becoming increasingly clear that a formal forum is required for certain types of interaction, including training, the joint planning of research and extension agenda, and the securing of joint management agreements for soil and

water, fodder, and grazing resources. The task for the coming decade will be to develop these in ways which are nonthreatening both to the organizations involved and to the informal interaction they already undertake and, as a prior requirement, to develop the mutual trust and awareness of each other's activities on which formal interaction depends.

6.4.1 Credits and Poverty Alleviation Programmes

Microfinance is a provision of thrift, credit and other financial service to low income groups of the population, usually landless marginal farmers, and poor urban dwellers working in the informal sector. Micro-Finance services may include saving facilities, credit, and other services such as insurance. Providers of micro-finance may include formal sector institutions (e.g. Commercial and Development Banks); Semi-formal bodies such as non-governmental organization and cooperatives; and other informal and saving and credit organizations. All provide service either on an individual or group-lending basis. In recent years, micro-finance has attracted considerable attention because of its potential to increase the physical capital of the poor while simultaneous building human and social capital.

Microfinance operations frequently depend for their success on mobilizing and organizing the poor so that they can develop sufficient confidence to save, borrow and invest. Investment in the social preparation yields long term benefits in term of social and human capacity building. Organizing women and their involving to micro-finance are effective ways to assist the empowered poor women. The formation and operation of savings and borrowers groups – likewise, builds confidence, trust and social capital. Similarly, involving borrowers in entrepreneurial activities directly builds their skills and indirectly contributes to improved health and reduced risks.

Self-Help Groups (SHGs) also come under as a part of NGOs. Many of the NGOs make poor people capable to form a group under SHGs and train them to work. The government too extended revolving fund and the subsidy to the Swarozgaris to perform some economic activities due to which the people received employment. Further it is observed that the NGOs involved in mobilizing, coordinating, training and bring the Swarozgaris at different levels. This would enable them to claim their assistance from the government. These group members were already doing some

activities for e.g. pottery, sericulture, etc. Swarozgaris should get some additional employment and then only the programme will deliver the goods as expected.

The major objective of the SGSY is to bring the assisted poor families (i.e. Swarozgaris) above the Poverty Line by ensuring appreciable sustained level of income over a period of time. This objective is to be achieved by inter-alia organising the rural poor into Self-help Groups (SHGs) through the process of social mobilization, their training and capacity building and provision of income generating assets. The SHGs approach helps the poor to build their self-confidence through community action. The collaboration of people in the group meetings develops their decision-making and enables them in identification and prioritization of their needs and resources. This process would ultimately lead to the strengthening and socio-economic empowerment of the rural poor as well as improve their collective bargaining power. From the inception (April 1999) of SGSY, 42.05 lakh SHGs have been formed under the programme with women SHGs accounting for about 60 percent of the total. The SHGs are given technical as well as book keeping training through Rural Self Employment Training Institute (RSETI) and in due course, these will be granted subsidy to the key activity with a subsidy credit ratio of 1:3.

A procedure is also being formulated with existing marketing set ups with the help of the chamber of commerce members as well as private and government sector officials for forward linkages for each of the product produced by the SHGs. During 2013-14, the total number of SHGs under NRLM fold is 13,15,437 of which 2,19,061 (17 percent) have been mobilized in this financial year. Allocation for NRLM for 2013-14 has been kept at Rs.4000 crore, an increase of Rs. 85 crore over the previous year's budget estimates (BE). Of this, an amount of Rs. 858.41 crore has been released up to September, 2013.

6.5 Problems of the Poverty Alleviation and Employment Generation

The rural sector of the developing countries is facing the major problems such as persistence of poverty and its attendant problems of low productivity, Underemployment, disparities in regions and income level in rural and urban areas, unorganized marketing, inadequate infrastructure, water-scare, ill-health, educational facilities and low standard of living etc. Migration has been significantly reshaping the traditional social and economic structures of rural communities of this country.

The livelihood activities of rural families are no longer confined to farming and are increasingly being diversified through rural-to-urban and international migration with the development of trade and industry and the awareness produced by the mass media, rural poor are shifting towards the urban areas in order to improve their living standards and to search for better livelihood opportunities. The lack of employment opportunities in the rural areas and better employment prospects and infrastructure facilities in the urban areas motivate people to migrate to urban areas. In the rural areas, sluggish agricultural growth and limited development of the rural non-farm sector raises the incidence of rural poverty, unemployment and underemployment.

The countries such as Indonesia, Malaysia, Republic of Korea and Thailand, which have done well in agriculture, have improved food security and have been experiencing a radical decline in rural poverty. These countries followed broad-based economic development through high levels of investment in agricultural, education, infrastructure, etc., which resulted increasing their food security and poverty reduced drastically. In developing countries, policy reforms are required on the part of the government to increase investment in rural infrastructure, education, health facilities, etc. to improve nutritional status, to improve standard of living of the rural poor and finally to reduce inequalities among the people and regions. In spite of all this, developing as well as developed nations are still fighting with poverty and its negative impacts on economy, which are ruining the development process.

Major difficulties in reducing poverty, which are arising in the implementation of the poverty alleviation programmes, are of poor targeting and leakages. The target group of people below poverty line with low annual income upto Rs. 11000 per annum includes small marginal farmers, landless artisans, vulnerable groups such as scheduled castes / tribes women headed households. The development of participation of people in rural development and adopting self-selection schemes which will also raise awareness of people is important. In certain areas the Self-Help Groups (SHGs) have also shown the way through building a corpus of savings through extension of micro-credit. The poor generally have a lack of savings and a low access.

6.6 The Prospective Scenario

Creating adequate employment opportunities to absorb the existing unemployed and underemployed as well as the increase in labour force has been

among the important and lasting challenges of Indian development policy throughout the post-independence period. Full employment at rising levels of productivity and incomes would not in any case be feasible without growth and modification of economic activities. This called increasing the investment rate, a modern industrial base to produce equipment and material to complete labour, and improvement of technology all round (Government of India Planning Commission, 1935).

The Mahalanobis strategy focused on the requisites for achieving and sustaining a rapid rate of growth in the long term. It recognized that in the transition period employment might not keep pace with the growth of the labour force. The interests of employment in the medium term was sought to be balanced with those of long term growth by a deliberate policy of productivity mass consumption goods with labour intensive techniques in the early stages of development. Discriminatory measures (differential taxation, reservation and subsidies) to protect, and positive measures (credit, marketing and technical help) to encourage, traditional and labour intensive industry has been a continuing feature of policy throughout the last four decades.

By the end of the 50s, demographic growth was found to be much higher than expected even as the overall growth did not show much of an improvement. This led to fears that increase in job opportunities may not keep up with increase in population and labour force and that the problem of unemployment by other development notable the increasing 'backlog' of unemployment. The belief that growth would automatically lead to more employment and higher wages for everyone was also losing its appeal. The early 1970s witnessed extensive debate on the 'trickle down' hypothesis, the nexus between unemployment and poverty and the need for special measures to alleviate the conditions of the poor and the unemployed who are bypassed by growth.

There was near general agreement in the country, as indeed international bodies including the World Bank, that growth alone would not suffice to eliminate poverty and that special programmes designed to directly augment income and employment of the poor were essential. A special works programme of a rather modest scale had been included in the Third Plan; but the real fillip to the 'poverty alleviation' programmes came in the early 1970s with Indira Gandhi adopting 'Garibi Hatao' as the centerpiece

of the government policy. Special employment schemes were an important component of this new programme.

Thus, it can be concluded that, in our nation, there are many options to generate employment and to alleviate poverty, but still we are struggling with these economic problems. Other than poverty alleviation programmes, we see various NGOs which are organized to fight against different vicious reasons such as for the women empowerment, against child labour, poverty, employment etc. The basic reason for their establishment is to bring a stable, safe and healthy environment for the needy people. Likewise, in this path government agencies/organizations are also performing to bring the peace and stability in the nation. These non government organizations are working as intermediary between the government and the poor people. A group is formed to train and help the poor. They make them learn works and these efforts are successful. People are getting profit and they are earning through their skills.

CHAPTER - SEVEN

CONCLUSION

This chapter discusses the findings of the study and concludes all the preceding chapters and also provides some useful suggestions on the basis of this research including scope for future research.

7.1 Summary and Conclusion

The purpose of the study was to analyze the current poverty alleviation programmes and to evaluate the role of the poverty alleviation programmes in generating employment at national level as well as state level. The study attempted to explore the most important features that have significant impact on overall poverty situation. Specifically, the study attempted to discover the evidence of the financial variations impact the physical performance of the poverty alleviation programmes systematically.

It starts with an exploration of the definitions, concepts and basic nature of poverty. India has the largest concentration of poor people, particularly in rural areas, where almost three-fourth of the population and 77 percent of Indian poor dwells (World Bank, 1998). There has been considerable progress in reduction of poverty in India, though it is still long way to go before it could be claimed that the people have achieved notable progress in reducing poverty; however, human development status of the people has not improved to that extent till the present time. Nevertheless, there is a forward looking approach in addressing relevant policy recommendations for poverty reduction. Though the major trends in the international and national economies, particularly globalization was earmarked to regenerate growth. Poverty reduction strategies were undertaken as an integral part of the growth process, with major emphasis on employment. A macroeconomic framework is consistent with the objective of poverty reduction and the major attack on poverty through increasing investment for employment creation. The public action for poverty reduction including investment in the next generation's education and health, as well as social protection for those who cannot be reached through conventional policy instruments. The institutional mechanisms evaluation from time to time should do for application

of vital modifications to achieve the goals of poverty alleviation. An appropriate and flawless poverty monitoring system needs to be developed, keeping in view the existing situation, financial resources and other national priorities. Poverty therefore is a complex phenomenon of many dimensions not merely the economic dimension. Poverty alleviation programmes should address the subject of poverty from broader social and economic perspectives.

Thus, poverty alleviation has been one of the administrative ethics of the planning process in India. The role of economic growth in providing more employment opportunities to the population has been clearly recognized in the five year plans. The growth-oriented approach has been strengthened by concentrating on specific sectors, which provide greater opportunities to the people to participate in the growth process. The various dimensions of poverty relating to health, education and other basic services have been progressively implemented in the planning process. Central and state governments have considerably enhanced allocations for the provision of education, health, sanitation and other facilities, which promote capacity building and well-being of the poor. Investments in agriculture, area development programmes and afforestation open avenues for employment and income. Special programmes have been taken up for the welfare of SCs and STs, the disabled, the women and other vulnerable groups. The Targeted Public Distribution System (TPDS) protects the poor from the adverse effects of a rise in prices and ensures food and nutrition security at affordable prices.

The focus of the chapters ranges to the effectiveness of the programme. The issues of political-economy considerations, participations and sustainability issues, and intra-households effects are hindrance in the process of development. The selection of programmes dealt here was not at random. Major rural development programmes were undertaken to know their effect on the country. Thus, the study centers on the answers of the following questions: 1. What is the basic nature of poverty in India? 2. What is the difference between the characteristics of rural and urban poverty? 3. What could Government of India do for eradicating poverty? 4. What are the major poverty alleviation programmes? 5. Are these poverty alleviation programmes helpful in employment generation? 6. Do the poor really get benefitted of these programmes? 7. What are the major problems in the implementation and

functioning of these programmes? 8. How could these poverty alleviation programmes be made more effective and inclusive? 9. What is the role of self-help groups and Non-Governmental Organizations in poverty alleviation? 10. What are the main reasons behind the difference of poverty alleviation performance in different states?

Thus, for solving the above mentioned queries the following objectives were focused upon in the study: 1. The importance of poverty alleviation programmes in growth and development of Indian economy. 2. The impact of poverty alleviation programmes on rural employment generation. 3. The effectiveness of poverty alleviation programmes in various states of the country. 4. The relation between fund allocation and employment generation in a particular programme. 5. The comparative performance of different poverty alleviation schemes. 6. The best programme among the various employment generation programmes, in terms of structure, execution and performance. 7. The problems and prospects of poverty alleviation programmes in India. 8. The awareness of the programmes within the society.

In the light of above stated objectives the following hypotheses were formed:

1. Various poverty alleviation programmes have contributed to the employment generation in India. 2. MGNREGA is better performing programme in current scenario. 3. The standard of living of the poor has also been enhanced by these programmes in the states of India.

The present study has tried to analyze the importance of poverty alleviation programmes in growth and development of Indian Economy. We have studied the impact of poverty alleviation programmes on rural employment generation on both central and regional level. Three major employment generation programmes (MGNREGA, SGSY AND PMEGP) have been selected to analyze the effectiveness of poverty alleviation programmes at national level. While, we select five states to know the impact of these three programmes at regional level. During our analysis we kept other things constant and took our variables as funds utilization and employment generation. It was chosen to pursue comparative study among the programmes. We have used the log linear regression analysis tool to evaluate the relation between funds utilization and employment generation in a particular programme. Thus we found our result in favour of all our hypothesis.

An attempt has been made to present a brief mapping of employment generation programmes at state and national level.

- ▶ We find the very strong relationship between fund utilization and employment generation.
- ▶ At national level, our results reveal that the elasticity between the funds utilisation and employment generation in SGSY found to be more than PMEGP and MGNREGA.
- ▶ Selected rural poverty alleviation programmes have significant impact on employment generation.
- ▶ MGNREGA found to be highly significant among three of the employment generating programmes at national level.
- ▶ At state level, our results show that the programmes have significant impact on the BIMARU states. The overall performance of all the three programmes in Bihar is very high.
- ▶ The programmes are performing well, though we found MGNREGA statistically insignificant in Madhya Pradesh and Uttar Pradesh and PMEGP in Maharashtra.
- ▶ The constraints from which these programmes suffer are organizational inadequacy and lack of clear cut plan of development and proper monitoring. Little attention has been paid to psychological, political, bureaucratic and economic forces that have been at work to interrupt these programmes.
- ▶ The review of the individual schemes and their functioning provides us the necessary background to undertake an assessment with a view to improve their effectiveness and utilisation. There is poor utilisation in one or two states in schemes, but one can argue that those could be ascribed to state-specific factors. However, it is not pertinent to say that there is no scope for improvement.

Thus, the study supports our hypothesis that rural poverty alleviation programmes have contributed to the employment generation in India as well as the standard of living of the poor has also been enhanced by these programmes. However, some structural and functional modifications are still needed to make these poverty alleviation programmes more inclusive and accurate. Hence, the programmes really

are helping the poor through the improvement of their livelihoods and hence, alleviating their income poverty.

A complete poverty alleviation approach takes care of qualitative aspect also in addition to reduction of poverty ratios. This should include social infrastructure like health, education, shelter, nutrition, drinking water, and physical infrastructure like roads, power, communications, etc. The monitoring of such poverty alleviation programmes is complex in nature, as besides measuring levels of poverty, other indicators are also to be monitored for which inter-ministerial/departmental information system would be needed. The Planning Commission or a Central Statistical Authority of the Country would be the appropriate body for this purpose. Improper distribution of plan-benefits is also one of the major problems in the alleviation of poverty.

Due to the absence of proper identification of the target group (those living below the poverty line), by the local body, benefits meant for those poor are not reaching them. The local level Poverty Eradication Cells are hardly paying attention to the programmes. The grassroots and middle-level organization structures like Neighborhood Groups, Neighborhood committees, Muhalla Sabhas are not functioning in the way they should do. The formulated programme providing various guidelines is, in fact, far from the reality at the ground level, for example, a beneficiary cannot obtain a loan from the bank because he/she cannot fulfill conditions laid down by the bank. The real spirit of the scheme is found lacking among the managers and the beneficiaries. The Indian experience shows that the poverty alleviation programme has to go along with national developmental planning and as such, any poverty eradication strategy should be part of the overall development strategy of the country. To tackle poverty, there is a need to foster the growth of rural enterprise by involving Self-Help Groups and Microfinance institutions and NGOs on a much bigger scale.

The social security initiatives of the Centre, State and NGOs implemented during the past have indicated that the needs are much more than the supports provided and the efforts must be targeted and vast enough to cover the growing numbers of the unemployed poor. It is pointed out that the major security needs of the BPL families are food, nutritional, health, housing, employment, income, life and

accident, and the old age security. It is required to focus on poverty eradication strategy on the basis of rural household as unit. The rural poor primarily comprise of small and marginal farmers, especially in rain-fed areas, landless labourers, fishermen, herders, and women-headed households.

The additional fund requirement over the next seven year period can be met through a combination of additional budgetary support to the restructured programmes, better coordination with employment generation and social security schemes of other Ministries, project support from multi-lateral funding agencies, enhanced credit mobilization, National Skill Development Corporation/ Fund and Public Private Partnerships.

It has been observed that whatever amount is allocated for employment generation programmes or rural development with a view to alleviating the poverty is showing positive results on states level (excluding few states cases) as well as national level. But we have also analyzed that the whole amount is not properly spent; there are leakages and misappropriation of funds at different stages. These factors have led to disparity in the distribution of income and wealth. Thus, poverty remained as unsolvable problems. When the appropriate amount is not invested, the expected employment is not created and therefore, the income for the poor community is not generated in a proper and adequate way. As such, the poor remains poor despite plans and programmes are executed which also fails to fulfill the objectives of the programmes. Therefore, the corruption involved in the process of the programmes need to be opposed through rigorous action. If required, we have to formulate proper legislation as well as speedy implementation of such provisions. Development of an efficient social audit system could be helpful in this.

The Government of India spends large amount of funds on resources to initiate and process anti-poverty programmes. Unfortunately the targeting effectiveness is very low and efficiency poor. Acceleration in growth that had been experienced during the mid-1990s should have created sufficient employment opportunities not only to absorb the increase in the labour force but also to reduce the backlog of unemployment. This elasticity and growth rate of 6.5 percent per annum would create 8 million employment opportunities per year-significantly higher than the increase in the labour force. Planning commission constituted a Task Force on employment

opportunities in January 1999 under the chairmanship of Mr. Montek Singh Ahluwalia, the member of Planning Commission.

The Task Force submitted its report in July, 2001. The task force examined the requirement of job creation in terms of addition to the work force on the usual principal in subsidiary status UPSS basis, which turn out to be lower than 10 million per year at the assumed labour force participation rates. It also assumed that the recently observed labour intensities in the various sectors of the economy would continue to prevail, and therefore concentrate primarily on the major macro-economic policy changes that would be required to increase the growth rate of the economy sufficiently in order to generate the requisite employment opportunities to absorb the projected increases in the work force. Its main conclusion was that the growth rate of the economy will have to be increased to at least 8 percent per annum, and also that was a feasible target provided that certain critical policy reforms were undertaken.

The strategy for employment generation through the growth process as recommended by the task force is likely to take time and should, therefore, be seen as a medium- run solution. It needs to be complemented by specific short-run strategies of “Policies and Programmes for Employment in India”, which can deliver results. As growth with equity is inescapable we have to try to redress the difficulties in the schemes to make them more effective.

Further, the land belonging to BPL people will be developed through NREGS and receive further value addition provision of technical inputs and credits under NRLM. This will help in enhancement of productivity of productivity and sustained income to rural poor. It is also proposed to tap various livelihood opportunities generated in different processes of NREGS and other programmes like IAY, Drinking water and Sanitation, Watershed Management, and PMGSY etc. for SHGs and rural poor. NRLM will have multi-pronged approach to strengthen livelihoods of the rural poor by promoting SHGs, improving existing occupations, providing skill development and placement and other activities thereof. The training and capacity building, deployment of multidisciplinary experts and other initiatives will enhance the credit worthiness of the rural poor.

Some programmes administrated through loans by the banking system and subsidized to the concerned to the ministries. There are about 180 schemes

administered through the ministry of rural developments. Currently the Government commits Rs. 11000 crore per annum to these direct Poverty alleviation programmes including self-employment and wage-employment programmes under the centrally sponsored schemes (CSS). These equal about 25 percent of fiscal post. In addition, some State Governments have their own poverty alleviation programmes. The multiplicity of their programmes is advocated on the ground of multi-dimensionality of poverty and regional variations in the efficacy of the delivery system. Studies have shown great interstate disparities; poorer states benefit least from the centrally sponsored schemes CSS. Researches have shown that there are leakages from 20 percent to 70 percent. These leakages have extensively been analyzed by various researchers and they have found that the supply driven and top down approach with little concern for the complexities at the grass-root levels was the major cause of problems.

Converging attention on group oriented schemes, gram panchayats may help to plug the loop-holes in the implementation. Social sector expenditure in India in the 1990s was much poorer than that in the East-Asian countries, poor utilization or misuse of funds due to leakages and corruption need to be resolved and delivery system have to be affectively restored. Growth needs to be rapid enough to significantly improve absolute conditions of the poor, and to have the maximum impact; there should also be an improvement in the relative position of the poor. The share of the poor in the incremental income should be more than their share in the average. There is a need to go beyond the establishment of social safety nets to focus directly on providing employment and raising the income of the poor through explicit poverty interventions.

In the context of state supported programmes of rural poverty alleviation in a poor underdeveloped district of India. The most serious problem that prevails in underdeveloped countries like India is of disguised unemployment. One of the major reasons behind this problem is the unbalanced and rapid growth in population. The difference between population growth rate and unemployment is increasing day by day. Employment generation programmers neglected the developmental scheme while stressing on the need for welfare programmes. There is also shortage of capital

equipment and other complementary resources. For implementing employment generation in a better way there is a need of identification of beneficiaries.

It was revealed in the various rounds of NSSO survey that the policy did not yield targeted results; leave alone the aim of full employment. The decline in the growth rate of employment during 1994-2000 was due to stagnation in the growth of employment in the agriculture sector; the share of agriculture in total employment dropped from 60 percent to 57 percent during the 1993-94 to 1999-2000. It was also found that despite the development of economy, rural poor were forced to live in abject poverty due to the lack of employment opportunities.

The Mid-term appraisal of Tenth Plan reiterated that employment growth should exceed growth in labour force to reduce the backlog of unemployment. The employment strategies advocated in the approach paper to Mid-term appraisal of the Tenth-Five Year Plan are as follows: special emphasis to promote public investment in rural areas; large scale employment creation in the construction sector, especially for the unskilled and the semi-skilled labour; focusing on service sector by giving necessary support to fulfill the need of employment growth in agro processing and rural service.

To address the growing problem of rural unemployment and poverty, an integrated approach with stress on innovation should be developed. Self-employment activities with Government support in marketing and research and market-driven micro enterprises supported by micro credit would certainly facilitate employment laid growth. The past experience of various employment generation programs and five year plans on employment generation reveals that, they did not attain the targeted levels of employment. Unproductive management, the main constraint of the programs should be eliminated; Gram Sabha, NGOs and private agencies also should be given the equal importance. The programs have to generate more employment opportunities for the existing unemployed people.

More difficulties which are arising in the implementation of the schemes are of ill-targeting and distributional leakages. Hence, ensuring and developing people's participations in rural development and adopting self-selection schemes are essential. The poor, generally, have a lack of savings and a low access to credit which leads to a dependence on moneylenders. SHGs raise awareness and allow for small amounts of

regular savings. This helps the poor to come together and pool through savings. On the basis of these monthly savings, access to micro loans is enabled. Thus they have an easy access to credit. Groups self-select their members and there is peer pressure which ensures timely repayment of loans. Thus, NGOs and SHGs promote access to formal credit for individuals by building their credit worthiness skill and other services leading to eventual social economic development.

Another major problem in employment generation programs is to organize public works to create long-lasting assets by assigning them to contractors. It has been observed that the contractors try to recruit a small number of labourers and push the programmes at high speed and short period of time. So, the employment is created for a short period and only for a small number of people. Further, creating awareness between the people about the programmes and their responsibility of participation with dedication is necessary. With these, if the other limitations of the programme are removed, then more employment can be created; it will be helpful to reach the goal of creating employment to a larger mass, with the livelihood security of the people.

All the programmes have over the years achieved their objectives only partially. Various studies, carried out by experts and academicians, have shown that no programme has been able to make a dent on the poverty level of the people. The emphasis of these poverty alleviation programmes is more on expenditure incurred than on performance. The constraints from which these programmes suffer have not been financial but organizational inadequacy and lack of clear cut plan of development and proper monitoring. Little attention has been paid to psychology, political, bureaucratic and economic forces that have been at work to foil these programmes.

To eradicate the problem of employment and underemployment for the masses and unemployment for educated people, there is a need of having twin strategies to improve the livelihoods. The first sub-strategy should aim at rural and urban masses that are illiterate/semi-literate, unskilled, and semi-skilled. The second sub strategy has to address the educated as well as skilled unemployment. The policy goal should be to improve economic growth in rural areas with emphasis on employment for the poor, and shift workers from agriculture to non-agriculture activities, particularly services in rural areas. To achieve this goal, it is necessary to focus on selected

growth engines and clusters. The task of generating employment is an urgent one and needs a range of concerted actions from the government, donors, banks and the private sector and from civil society institutions. Last but not least, political will is must.

7.2 Critical Review / Shortcomings

Some factors have been proved to be hurdles in the way of community development and national employment schemes. These factors are, neglect of developmental scheme and greater stress on welfare programmes; all rural people are not benefited by the scheme; absence of clearly defined priorities; ill tempo of program for exceeded resources; lack of required technical knowledge for agricultural development; and it has not been people`s program. In the beginning of planning in the country, the policy of direct attack on poverty and unemployment was not adopted. But now direct attack is made on poverty through poverty alleviation programmes.

Various studies have been conducted by different agencies and experts, which pointed out various deficiencies in poverty alleviation programmes. The shortcomings of these poverty alleviation programmes can be seen from the condition of India. Identification of poor is not an easy task especially in rural areas. Estimation of income is very difficult. So, some beneficiaries who were not, in fact, eligible for their inclusion in target group have taken the benefit. Allocations of funds are made without considering the size of poor people in various states and regions. Very low level of wages in the name of enlarging the number of beneficiaries is given to the labour in the programme. Non-poor people grab the loans by identifying themselves as poor. So far as implementation of funds is concerned it has not been satisfactory due to corruption and lack of people`s participation.

The focus on pure employment creation in these programmes led to the specification of excessively high wage employment component, as a result of which the assets created under the programmes were insufficiently productive. According to Planning Commission additional employment generated during 1999 and 2000 averaged 8.4 million per year. During 1993-99 about 39 million employment opportunities were created.

The twin objective of poverty eradication and solution of the unemployment problem have been only partially realized so far. The IRDP has failed to benefit the people who are to be benefited, while the NREP has made a modest success. The RLEGH has failed to reduce the intensity of poverty in the country. The NRY has been able to make success. The TRYSEM has failed to increase self-employment prospects as most of the trained youths are interested in getting stipends only. DWCRA fails due to lack of institutional and financial support, inadequate training etc. These programmes have done little to the socially weaker section of the society, such as the disabled and the women class. The house hold approach focused around self-employment enterprises and wage employment guarantees is incorrect in the state where there is continuing demographic pressure and increasing the small size of holdings. Considering all these programmes launched under plans it can be concluded that these programmes could not make much headway in solving both the rural and urban unemployment as well as poverty problems, despite of their potentials of doing so.

7.3 Suggestions

The formulation of anti-poverty programmes cannot be considered sufficient to solve the problem of poverty, although the major role in this direction is played by these programmes. The task of identification of the poor should be assigned to local Government. Causes of poverty also vary from one location to other. So there should be localized identification of causes and remedies of poverty. Broad based approaches covering entire states do not enable scarce resources to be utilized in the most efficient manner. The most effective public policies to apply in any region are best identified through careful micro level analysis.

There should be a time bond statutory guarantee of employment to the poor without any limitation of work-days. Programmes should be properly implemented through panchayat raj institutions. Government should empower panchayats to plan and implement all local development programs. There should be planning from below, because many specific tasks can be done on decentralized bases. Agro based industrial units should be introduced in different areas according to local agricultural production. Along with applications of these programs, there should be universalization of education. Every student should be trained in one technical work

by the time a student completes matriculation. Then the Government should provide project scholarship in the shape of capital and input to the participating student. The successful completion of a project should make the student eligible for passing a certificate.

Strong political will to strictly implement time bound poverty alleviation programmes is very much needed. The NGOs also can play an important role in the process of alleviation of poverty; their efforts can be complementary to the Government efforts by working in neglected areas in official programs. So the activities of NGOs should be integrated with those of Government services. There should be a provision of part time participation by the physically impaired, old, retired and unhealthy persons who are unable to work for the full day. The special employment guarantee programmes can be implemented successfully with the involvement of people, NGOs, Self-Help Groups, and local level institutions since they are close to grass roots.

Weekly payment should be ensured for the wage worker under a specific employment generation programme, implementing agency should be made responsible for payment of wage work on weekly basis and they can use the report for making payment as well as verification of muster roll (muster roll verification must be linked with payment system). Provision should be made for “payment audit by Gram-Sabha” for tracking the payment of the waged worker – demanding open transparency will help in taking side of the poorest and marginalized.

There should be coordination with authorities of postal, cooperatives banks and other banks. To avoid delay in payment of wages each block should have a full time programme officer and technical staff for the distinct poverty alleviation and employment guarantee programme, rather than the current additional charge syndrome and transferring of responsibility. Gram Panchayat will be able to request for a second installment for the annual plan after they utilize 75 percent of their first installment. In order to reduce the delay in payment states may switch over weekly muster rolls. Proactively seeking and rigorously recording the demands for work and providing dated receipts to workers for their application asking for work – MIS system will record the demand for work and will then track the gap between the date of application for work and date of opening of work. Strengthening of grievance

redressal mechanism with community involvement is an essential ingredient of success of the programme.

Panchayat Raj system should be used to keep a watch on the working of the programme as well as working for the wageworker. The proposed suggestions will go a long way in providing solution in reducing delay in payments to workers and providing requisite number of days of work as per demand. It is clear from the above analysis that for the human development, in terms of improvised education and health combined with income growth and poverty alleviation, decentralized governance through the active participation of educated and socially aware citizens contributes in a significant way. It delivers effectively in poverty reduction even with moderate income growth.

Rural-urban development disparity can be considerably mitigated by rising shares of rural non-farm employment, which allows for better rural labour absorption and, hence, the increase of average rural incomes. Moreover, diversification of output and employment is often closely linked to agricultural growth and growing demand from agriculture, acting as a strong agricultural growth multiplier. When demand linkages from rising agricultural incomes are the main driving factor behind rural diversification, the output of non-farm employment tends to be rather high, super rating the productivity of agricultural production and improving the conditions for further modification. This has been the case for China where the share of non-farm rural labour has increased considerably during the period 1985-92. On the other hand, when labour is strapped out of agriculture into non-farm activities, as in Pakistan, than this tends to imply lower productivity and wages than in agriculture. This kind of distress diversification effects, however, only a share of the non-farm rural labour force, mostly women. In most cases, rural diversification is positive for employment opportunities as well as for productivity and wages.

One of the main reasons why countries with domestic market-oriented agricultural schemes show greater diversification is that this model depends on small rural towns for marketing, which become reference point for the location of rural industries. Small rural towns are normally better provided with basic infrastructure, particularly electricity and roads, and with basic education system than housing conglomerates in rural Latin America acting just as labour transition points for large

farms which maintain their own infrastructures, including airports and power generation.

On the basis of our study we can suggest following measures to make the programmes target-oriented and inclusively implemented –

1. Non-Government Organizations should be involved in the implementation of Poverty Alleviation Programmes.
2. Full utilization of allocated funds is necessary for implementing agencies.
3. Timely release of financial grants should be made necessary for the better implementation of the programme.
4. System obstacles and bureaucratic hindrances should be removed at every level.
5. Precaution should be taken in the selection of beneficiary for Poverty Alleviation Programmes.
6. Awareness should be created about the programmes of Poverty Alleviation through Media, Rallies, Nukkad Natak, etc.
7. Training should be started for increment of self-employment opportunities according to the demand of the market.
8. Accountability and transparency of the implementing authorities engaged in the process of implementation of the scheme should be strictly established.
9. Growth of Social Forestry should be facilitated, because employment of few people permanently can bring in employment for more others after few years.

A number of issues which are actually debated in international organizations will influence the conditions of national Government to provide for rural as well as urban employment generation. These issues can be: combining food security with growth of market production; raising levels of agricultural productivity; liberalization of world agricultural markets; appropriate role for sale intervention, etc. The central Government should play a pro-active role by not allowing the state Governments to raise issues like transport costs, utility bills etc. for the proper implementation and functioning of the program. Besides, the Government should fix up special monitoring agencies to carry works such as preparing annual reports, accounts of employment and expenditure, regular and periodical inspections, field visits and

project evaluation by technically qualified people. Transparency and accountability at all levels in the implementation of the program would certainly command solidarity and conformity with those up the cause of concern for poor.

The overall impact of employment generation programmes in generating employment has been much below the target lay down and for the bridging of this gap large devolution of resources, both financial and human are required. For the success of any such Government programme, proper monitoring as well as efficient functioning is a must. Anti-poverty strategies have looked at poverty reduction through employment generation programme in minimalist terms of bringing the poor above the poverty line by focusing on increasing in individual's income. The poor near the poverty line might indeed cross the poverty line but would leave the hard core who suffer from multiple deprivations.

The NFHS (1998) data reveal that there were children being malnourished (47 percent) and anemic (74 percent), women having chronic energy deficiency (36 percent) and iron deficiency (50 percent) and no education (54 percent) rural households having no toilet (71 percent) heath (19 percent) and drainage (51 percent) facility. Thus, it can be observed that the empowerment of the poor is a critical factor in accelerating poverty reduction and at present, NGOs and donor agencies (World Bank, W.H.O. and Others) are exerting pressure on policy makers to involve the stakeholders in the various projects, activate the Panchayat and promote institutions like Self-Help Groups and other groups to mobilize the rural poor for collective action.

In India, poverty is a product of livelihood systems and socio-political and economic systems shape them. Improved access of the poor to assets, natural resources, public goods and political institutions are suggested for poverty reduction. Quality of governance and its sensitivity to the problems of the poor, provision of wage and self-employment, development of economic infrastructure (irrigation, power and transport network), location of industries, quality of education, market oriented skills, increased access to health services is considered equally important.

In India official unemployment rate has not been very high. The rate was around 7.3 percent in 1999-2000 (a total of 26.6 million unemployed persons). This is because unemployment rates are based on time criterion. Poor people are too poor to

be unemployed for a long time. Instead, we have the concept of working poor. In other words many people are working at low wages and low working conditions in agriculture and informal sector. This phenomenon can be termed as hidden unemployment or somehow it can be termed as underemployment. Therefore, the challenge is to shift these workers to higher productivity (higher wages) sectors and also to create new jobs in the non agriculture sector. Thus, the real nature of the problem is not that people are not 'employed' in some activity, but that large number of those classified as employed are engaged in low quality employment, which does not provide adequate growth in the volume of employment, but also on the quality of employment opportunities. Employment in India is largely unorganized, rural and non-industrial in nature and as such, the Government policy and programmes should recognize the perceptions to earn income.

The various options for employment generation and variation in different sectors are: agriculture irrigation, increasing and diversifying agricultural production so that agricultural productivity and incomes expand and give a boost to rural income and therefore an increase in demand for labour in rural areas, rising public investment in agriculture, removal of domestic and external controls on agriculture, liberalizing leasing of land, development of non-cereal crops, shift of secondary and tertiary/services sector.

India is one of the largest producers of raw material for the food processing industry in the world; the industry itself is underdeveloped. Less than 25 percent of fruit and vegetables production is processed compared with 30 percent in Thailand, 70 percent in Brazil, 78 percent in Philippines and 80 percent in Malaysia. Expansion of this sector would bring industry to rural areas and expand the value chain of agricultural production, providing assured market for farmers enabling them to diversify into higher value agriculture crops and expanding employment by creating high quality, non-agricultural opportunities in rural areas. Some efficient programmes should be framed in this direction.

The other areas can be floriculture, cultivation of medicinal and aromatic plants in organic and herbal farming. Dairy and livestock and forestry sectors are considered more pro-poor than crop agriculture sector, as landless, marginal and small farmers own livestock and most disadvantaged section of the society subsist from

forest resources. Government should plan to develop employment opportunities in these areas through some dedicated programmes. Unemployment in rural areas of developing countries takes the form of under-employment and very low annual productivity, leading to rural productivity, which can be considered the most effective indicator for rural unemployment. Rural development planning, since the last three decades, has been concentrating on the creation of larger and more productive agriculture units in order to enable the exploitation of new farming and seeding technologies. The reduction of rural poverty is related to increases in the share of agricultural wage employment.

To sum up, it might be concluded that while growth is important for poverty reduction, yet there are a number of other determinants as well for the same. These determinants are region – as well as time - specific. At the country level, structure of the economy, and employment rate again turned out to be among the chief determinants for poverty reduction; the other significant indicators are employment generated and fund utilized. At state level the programmes are implemented and the results are analyzed to make a comparison for better programme. Social sector strengthening (through increased government expenditure on health and education) would expectedly reduce the incidence of poverty via providing more employment opportunities, bringing down death rate, and increasing literacy rate, etc. However, for a permanent solution over a long period of time, measures needed to be taken to reduce disparities and structural imbalance of the economy. For this purpose, efforts need to be made not only to generate more employment, but also to generate employment in such a manner that the structure of employment is fairly commensurate with that of output. The economic reform measures need to have major impacts on the employment generating potential of the economy. The governmental bodies are also required to initiate long term measures for poverty alleviation. Generation of employment opportunities and equality in income distribution are the two key factors that are of utmost importance to deal with the dual problem of unemployment and poverty.

7.4 Scope for Further Research

As the topic is one of the important factors for Indian Economy. Poverty and unemployment have always remained on the top among all the economic problems.

So, there has always been some scope for further research, just to fulfill the gap and to make some comparison between the past and future. The poverty alleviation programmes will continue till the eradication of poverty. One can always observe further study to make the comparison about the changes that had occurred in past and that should be needed in future. The conditions and requirements of these poverty alleviation programmes have certain variations which could be taken care of in further research.

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